



NEWFOUNDLAND
DISCOVERY CORP.

Newfoundland Discovery Corp.

(Formerly Great Thunder Gold Corp.)
(An exploration stage company)

Financial Statements

(Expressed in Canadian Dollars)

April 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Newfoundland Discovery Corp. (formerly Great Thunder Gold Corp.):

Opinion

We have audited the financial statements of Newfoundland Discovery Corp. (formerly Great Thunder Gold Corp.) (the “Company”), which comprise the statements of financial position as at April 30, 2022 and 2021, and the statements of operations and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which describes the events and conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion & Analysis filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
August 15, 2022

Newfoundland Discovery Corp.

(Formerly Great Thunder Gold Corp.)
(An exploration stage company)

Statements of Financial Position

(Expressed in Canadian Dollars)

	April 30, 2022	April 30, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,583,224	\$ 3,441,916
Accounts receivable	65,171	96,139
Prepaid expenses and deposits	591,209	933,703
	2,239,604	4,471,758
Non-current assets		
Investments (note 5)	3,284	4,578
Reclamation bonds (note 6)	13,000	13,000
Exploration and evaluation assets (note 7)	10,002,474	5,216,419
	\$ 12,258,362	\$ 9,705,755
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 63,391	\$ 164,294
Flow-through share premium (notes 8 and 9)	271,628	582,396
Site restoration obligation (note 6)	148,967	148,967
	483,986	895,657
SHAREHOLDERS' EQUITY		
Share capital (note 9)	26,298,333	22,833,479
Share-based payment reserve	2,013,254	1,423,781
Accumulated other comprehensive income	1,934	3,228
Deficit	(16,539,145)	(15,450,390)
	11,774,376	8,810,098
	\$ 12,258,362	\$ 9,705,755

Nature of Operations and Going Concern (note 1)
Commitments (note 14)
Subsequent Events (note 17)

Approved on behalf of the Board of Directors August 15, 2022

/s/ Jeremy Prinsen

The accompanying Notes to the Financial Statements are an integral part of these financial statements

Newfoundland Discovery Corp.

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(An exploration stage company)

Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	Years Ended April 30	
	2022	2021
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and audit	\$ 35,693	\$ 28,551
Consulting fees (note 10)	228,008	301,954
Insurance	14,779	3,953
Investor relations and shareholder information	478,070	470,624
Legal fees	114,932	107,623
Listing and filing fees	18,368	31,197
Management fees (note 10)	211,714	223,459
Office	5,579	7,839
Rent	48,000	43,500
Share-based compensation (notes 9 and 10)	-	1,241,078
Site investigation fee	-	23,477
Transfer agency fees	14,591	17,874
Travel and accommodation	18,727	103
	1,188,461	2,501,232
OPERATING LOSS	(1,188,461)	(2,501,232)
OTHER INCOME (EXPENSES)		
Interest income	11,988	4,482
Income tax recovery	311,968	384,616
Write-down of exploration and evaluation assets	(224,250)	-
Realized loss on investments (note 5)	-	(1)
LOSS FOR THE YEAR	(1,088,755)	(2,112,135)
OTHER COMPREHENSIVE INCOME (EXPENSE)		
Unrealized gain (loss) on investments (note 5)	(1,294)	3,079
TOTAL COMPREHENSIVE LOSS	\$ (1,090,049)	\$ (2,109,056)
LOSS PER SHARE (basic and diluted)	\$ (0.03)	\$ (0.07)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (basic and diluted)	40,266,557	31,696,558

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Newfoundland Discovery Corp.

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Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Issued Share Number	Capital Amount	Share-Based Payment Reserve	Accumulated Other Comprehensive Income	Deficit	Total
Balances, April 30, 2020	25,656,560	\$ 17,016,252	\$ 87,789	\$ 149	\$ (13,367,518)	\$ 3,736,672
Shares and warrants issued for cash, net of flow- through share premium	6,836,851	4,709,667	-	-	-	4,709,667
Shares issued for exploration and evaluation assets	2,350,100	1,466,045	-	-	-	1,466,045
Share issue costs	-	(358,485)	124,177	-	-	(234,308)
Transfer upon option expiration	-	-	(29,263)	-	29,263	-
Share-based compensation	-	-	1,241,078	-	-	1,241,078
Loss for the year	-	-	-	-	(2,112,135)	(2,112,135)
Other comprehensive income						
Unrealized gain on investments (note 5)	-	-	-	3,079	-	3,079
Balances, April 30, 2021	34,843,511	22,833,479	1,423,781	3,228	(15,450,390)	8,810,098
Shares and warrants issued for cash, net of flow- through share premium	1,985,000	796,800	-	-	-	796,800
Shares issued for exploration and evaluation assets	5,595,285	2,695,407	-	-	-	2,695,407
Share issue costs	-	(27,353)	9,473	-	-	(17,880)
Reserve for share issuance obligation (note 7)	-	-	580,000	-	-	580,000
Loss for the year	-	-	-	-	(1,088,755)	(1,088,755)
Other comprehensive loss						
Unrealized loss on investments (note 5)	-	-	-	(1,294)	-	(1,294)
Balances, April 30, 2022	42,423,796	\$ 26,298,333	\$ 2,013,254	\$ 1,934	\$ (16,539,145)	\$ 11,774,376

The accompanying Notes to the Financial Statements are an integral part of these financial statements

Newfoundland Discovery Corp.

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Statements of Cash Flows

(Expressed in Canadian Dollars)

	Years Ended April 30	
	2022	2021
OPERATING ACTIVITIES		
Loss for the year	\$ (1,088,755)	\$ (2,112,135)
Adjustment for items not involving cash:		
Share-based compensation	-	1,241,078
Income tax recovery	(311,968)	(384,616)
Write-down of exploration and evaluation assets	224,250	-
Realized loss on investments	-	1
	(1,176,473)	(1,255,672)
Changes in non-cash working capital:		
Accounts receivable	30,968	(87,477)
Prepaid expenses and deposits	342,494	(914,863)
Accounts payable and accrued liabilities	(100,903)	133,728
Due to related parties	-	(20,889)
Net cash used in operating activities	(903,914)	(2,145,173)
INVESTING ACTIVITIES		
Investment in exploration and evaluation assets	(1,734,898)	(1,180,453)
Site restoration obligation	-	148,967
Net cash used in investing activities	(1,734,898)	(1,031,486)
FINANCING ACTIVITY		
Proceeds from issuance of shares and warrants, net	780,120	5,010,121
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,858,692)	1,833,462
CASH AND CASH EQUIVALENTS , beginning of year	3,441,916	1,608,454
CASH AND CASH EQUIVALENTS , end of year (note 15)	\$ 1,583,224	\$ 3,441,916
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Interest received	\$ 11,988	\$ 4,482
Interest paid	-	-
Income taxes	-	-

Non-cash Transactions (note 16)

The accompanying Notes to the Financial Statements are an integral part of these financial statements

Newfoundland Discovery Corp.

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Notes to the Financial Statements

(Expressed in Canadian Dollars)

April 30, 2022 and 2021

1. NATURE OF OPERATIONS AND GOING CONCERN

Newfoundland Discovery Corp. (formerly Great Thunder Gold Corp.) is incorporated under the laws of the Province of British Columbia, Canada. The Company owns interests in exploration and evaluation assets in the Provinces of Newfoundland and Labrador, Quebec and British Columbia, Canada, and its principal business is the exploration and development of those assets. The Company's head office and principal place of business is 700 – 838 West Hastings Street, Vancouver, British Columbia, Canada.

The Company is in the exploration stage with respect to its exploration and evaluation assets and has not yet determined whether those assets contain ore reserves that are economically recoverable. The carrying value of these assets represents the total of net costs capitalized and is not intended to reflect either their present or future value.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's legal interest in the assets, the ability of the Company to obtain the necessary financing to complete development, and future profitable production or proceeds from the disposition of the assets. For those exploration and evaluation assets in which it has a joint venture interest, the Company is required to contribute its proportionate share of costs or accept dilution of its interest.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and meet its obligations in the ordinary course of business. As of April 30, 2022, the Company had working capital of \$1,755,618 (2021 – \$3,576,101) and an accumulated deficit of \$16,539,145 (2021 – \$15,450,390). The Company will need to raise new funds through the sale of shares to maintain operations and carry out its planned exploration.

In early 2020, there was a global outbreak of a novel coronavirus identified as COVID-19. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide enacted from time to time emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future years.

The material uncertainty raised by these events and conditions may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect adjustments for the possible future effect on the recoverability and classification of the assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty. Realization values may be substantially different from carrying values as shown in these financial statements should the Company be unable to continue as a going concern.

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Notes to the Financial Statements

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2. BASIS OF PRESENTATION

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the Interpretations of the IFRS Interpretations Committee.

Statement of presentation

These financial statements have been prepared on an historical cost basis except for certain items that are measured at fair value, including investments. All dollar amounts presented are in Canadian dollars, which is the Company’s functional and presentation currency, unless otherwise specified. The accounting policies described herein have been applied consistently to all periods presented in these financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the year. Actual outcomes could differ from these judgments and estimates. Revisions to accounting estimates are recognized in the year in which the estimate is revised and may affect both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the date of the Statement of Financial Position that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to but are not limited to:

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company made the following critical accounting judgment:

Exploration and evaluation assets

The application of the Company’s accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to profit or loss in the year the new information becomes available.

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the year that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to but are not limited to:

Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for the share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, expected forfeiture rate, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value of share-based payment transactions are described in notes 4 and 9.

Reclamation and environmental obligations

Reclamation provisions have been created based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year.

Actual reclamation costs will ultimately depend on future market prices for the reclamation costs, which will reflect the market condition at the time reclamation costs are incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

The Company recognizes a financial asset or financial liability in the Statements of Financial Position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

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(Expressed in Canadian Dollars)

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- a) those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and
- b) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- a) amortized cost;
- b) FVTPL if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
- c) FVTOCI when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at FVTOCI or amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company’s financial assets consist of cash and cash equivalents which are classified and measured at FVTPL with realized and unrealized gains or losses related to changes in fair value reported in profit or loss, and reclamation bonds which are classified at amortized cost. The Company’s investments are classified and measured at FVTOCI with realized and unrealized gains or losses related to changes in fair value reported in other comprehensive income. The Company’s financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Classification and Measurement (continued)

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant year. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

Cash and cash equivalents

Cash and cash equivalents recorded in the Statements of Financial Position comprise cash at banks and cashable short-term deposits, which are readily convertible into a known amount of cash, and subject to insignificant risk of changes in fair value.

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur. The costs are accumulated in cost centres by exploration area and not depreciated pending determination of technical feasibility and commercial viability.

The Company may occasionally enter into farm-out arrangements whereby the Company will transfer part of a mineral interest as consideration for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain in profit or loss.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Exploration and evaluation expenditures (continued)

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs in excess of estimated recoveries are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven or probable reserves exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven or probable reserves have been discovered. Upon determination of proven or probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to property, plant and equipment or expensed to exploration and evaluation impairments.

Exploration and evaluation expenditures are classified as intangible assets.

Impairment of long-lived assets

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell, and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an ordinary transaction between market participants. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Common shares, options and warrants are classified as equity. Transaction costs directly attributable to the issue of common shares, options and warrants are recognized as a deduction from equity, net of any tax effects.

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using market prices as input values and then allocates the residual value of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to share-based payment reserve. When warrants are exercised, forfeited or expire, the corresponding value is transferred from share-based payment reserve to share capital.

Warrants issued as finders' and agents' fees are recorded at fair value measured using the Black-Scholes option pricing model. Expected annual volatility is estimated using historical volatility.

Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: (a) share capital, and (b) a flow-through share premium equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. As of April 30, 2022, funds restricted for exploration totaled \$1,339,693 (2021 – \$2,378,782). The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

Share-based payment transactions

The Company's stock option plan allows its employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in share-based payment reserve. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions (continued)

All share-based payments made to employees and non-employees are measured at fair value. For employees, fair value is measured as the fair value of the equity instruments at the grant date. For non-employees, the fair value is measured on the earlier of the date at which the counterparty performance is complete, the date the performance commitment is reached, or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options and warrants granted is measured using the Black-Scholes option pricing model. Expected annual volatility is estimated using historical volatility.

Stock options that vest over time are recognized using the graded vesting method. Share-based payments are recognized as an expense or, if applicable, capitalized to exploration and evaluation assets or share issue costs, with a corresponding increase in reserves. At each financial reporting period, the amount recognized as expense is adjusted to reflect the number of share options expected to vest. When stock options are ultimately exercised, forfeited or expire, the applicable amounts of reserves are transferred to share capital or deficit.

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with respect to previous years.

Deferred tax is provided using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the date of the Statement of Financial Position. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

Site restoration obligation

The Company recognizes the fair value of a legal or constructive liability for a site restoration obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a site restoration obligation due to the passage of time will be measured by applying an effective-interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Income (loss) per share

Basic income (loss) per common share is computed by dividing the net income (loss) for the year by the weighted average number of common shares outstanding for the year. Diluted per-share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted income (loss) per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year. Diluted loss per share equals basic loss per share where the effect of dilutive instruments would be anti-dilutive.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net income (loss), such as unrealized gains or losses on investments, gains or losses on certain derivative instruments, and certain foreign currency gains or losses. The Company's comprehensive income (loss), components of other comprehensive income (loss), cumulative translation adjustments and unrealized gains (losses) on investments are presented in the Statements of Operations and Comprehensive Loss and the Statements of Changes in Equity.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards and interpretations not yet adopted

Amendment to IAS 1: Presentation of Financial Statements

In January 2020, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. The Company is currently assessing the impact of this amendment.

5. INVESTMENTS

Investments in shares comprise the following:

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	April 30, 2022 Fair Value
Alchemist Mining Inc.	500	\$ 900	\$ (750)	\$ 150
Discovery Silver Corp.	2,062	450	2,684	3,134
		\$ 1,350	\$ 1,934	\$ 3,284

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	April 30, 2021 Fair Value
Alchemist Mining Inc.	10,000	\$ 900	\$ (900)	\$ -
Discovery Silver Corp.	2,062	450	4,128	4,578
		\$ 1,350	\$ 3,228	\$ 4,578

During the year ended April 30, 2022, the Company recorded an unrealized loss of \$1,294 (2021 – \$3,079 unrealized gain) in other comprehensive income. During the year ended April 30, 2022, the Company recorded no realized losses on the disposition of investments (2021 – \$1).

Alchemist Mining Inc. and Discovery Silver Corp. are unrelated public companies. The fair value of these investments was determined using quoted market prices at the date of the Statements of Financial Position.

6. RECLAMATION BONDS AND SITE RESTORATION OBLIGATION

The Company has deposited funds and hypothecated term deposits totalling \$13,000 (2021 – \$13,000) as security to the Province of British Columbia for future mineral claims site reclamation. The term deposits bear interest at a weighted average rate of 0.6% per annum (2021 – 0.8%).

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6. RECLAMATION BONDS AND SITE RESTORATION OBLIGATION (continued)

The Company has recognized a site restoration obligation of \$148,967 (2021 – \$148,967) in respect of the reclamation of its exploration and evaluation assets. The Company expects to incur these costs within the next 12 months. A summary of the changes in the Company's site restoration obligation for the years ended April 30, 2022 and 2021 is as follows:

	April 30, 2022	April 30, 2021
Balance, beginning of year	\$ 148,967	\$ -
Accrued site restoration obligations	-	148,967
Reclamation activities undertaken	-	-
Balance, end of year	\$ 148,967	\$ 148,967

7. EXPLORATION AND EVALUATION ASSETS

Burse and Grub Property

In May and June 2021, the Company entered into two option agreements and one purchase agreement to acquire 258 mineral claims comprising 6,450 hectares approximately 45 kilometres northeast of Gander, Newfoundland. To exercise the options and acquire the claims, the Company must pay the optionors and vendors \$25,500 (all of which has been paid), issue 792,000 shares (all of which have been issued, with a fair value of \$0.43 per share) and incur \$325,000 of exploration expenditures (of which, \$148,069 has been incurred) on the claims within two years. A portion of the claims is subject to a 1% net smelter returns royalty and a portion is subject to a 2% net smelter returns royalty of which the Company may purchase three-quarters at any time for \$2,000,000. The Company paid a finder's fee of 9,990 shares with a fair value of \$0.41 per share in respect of one of the options. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Chubb and Bouvier Property

In 2017, the Company acquired 37 mineral claims covering approximately 1,594 hectares located near Val d'Or, Quebec, Canada by paying \$60,000 cash, issuing 600,000 common shares with a fair value of \$0.54 per share, and granting a 2% gross metal royalty to the vendor. The Company also paid a finder's fee of 42,000 common shares with a fair value of \$0.54 per share in respect of the transaction. A portion of the property is also subject to a 1% net smelter returns royalty which can be repurchased for \$200,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Goldson Property

In September 2021, the Company entered into an option agreement to acquire 221 mineral claims comprising 5,525 hectares located approximately 58 kilometres northeast of Gander, Newfoundland. To exercise the option and acquire the claims, the Company must pay the optionors \$150,000 (of which \$20,000 has been paid), issue 1,950,000 shares (of which 250,000 shares with a fair value of \$0.46 per share have been issued) within three years, and grant to the optionors a 2% net smelter returns royalty of which the Company may purchase half at any time for \$1,000,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

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7. EXPLORATION AND EVALUATION ASSETS (continued)

Northbound Property

In February 2020, the Company entered into an option agreement to purchase 21 mineral claims comprising 1,162 hectares located approximately 85 kilometres northwest of the town of Matagami in northern Quebec. The Company exercised its option in September 2020 by paying to the optionors a total of \$135,000 cash, issuing 3,600,000 common shares with a fair value of \$0.41 per share and granting to the optionors a 3% net smelter returns royalty. The Company may purchase two-thirds of the royalty at any time for \$1,000,000.

In March and July 2020, the Company purchased an additional 35 mineral claims covering 1,914 hectares adjacent to the original Northbound claims for \$20,000 cash, 250,000 common shares with a fair value of \$0.40 per share, and a 3% net smelter returns royalty relating to 29 of those claims. The Company may purchase two-thirds of the royalty at any time for \$1,500,000.

Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Rodgers Cove Property

In June 2021, the Company entered into an option agreement to acquire 147 mineral claims comprising 3,675 hectares approximately 45 kilometres north of Gander, Newfoundland. To exercise the option and acquire the property, the Company must pay the optionors \$35,000 (all of which has been paid), issue 849,915 shares (of which 283,305 shares with a fair value of \$0.41 per share have been issued), incur \$250,000 of exploration expenditures (of which, \$113,333 has been incurred) on the claims within two years, and grant to the optionors a 2% net smelter returns royalty of which the Company may purchase three-quarters at any time for \$2,000,000. The Company paid a finder's fee of 84,990 shares with a fair value of \$0.41 per share in respect of the option. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Southern Star Property

In June 2020, the Company purchased 219 mineral claims comprising 12,156 hectares located northwest of the town of Matagami, Quebec and south of the Company's Northbound claims for a total of \$26,500 cash, 750,100 common shares with a fair value of \$0.44 per share, a 3% net smelter returns royalty over 143 of the claims of which two-thirds of the royalty may be repurchased for \$3,000,000, and a 1.5% net smelter returns royalty over 76 of the claims of which half of the royalty may be repurchased for \$500,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Southwest Pond Property

In July 2021, the Company entered into an agreement to purchase 318 mineral claims comprising 7,950 hectares in northeastern Newfoundland. Under the agreement, the Company must pay the vendors \$60,000 (all of which has been paid) and issue 1,500,000 shares (of which 500,000 shares with a fair value of \$0.58 per share have been issued and a reserve for the remaining 1,000,000 shares valued at \$0.58 per share has been recorded). Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

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7. EXPLORATION AND EVALUATION ASSETS (continued)

Unity Group Claims

In July 2021, the Company acquired five claim blocks comprising 366 mineral claims covering 9,150 hectares in northeastern Newfoundland for \$150,000, 3,200,000 shares with a value of \$0.50 per share, and a 2% net smelter returns royalty of which the Company may purchase half for \$1,500,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Urban Thunder Property

In 2017, the Company acquired 20 mineral claims covering approximately 1,127 hectares in the Windfall Lake area of Quebec, Canada for \$20,000, 750,000 shares with a value of \$0.16 per share, and a 2% net smelter returns royalty. The Company also paid a finder's fee totaling 75,000 shares with a value of \$0.16 per share. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Valentine Mountain Property

In 2008 and 2009, the Company acquired a 100% interest in 25 mineral claims comprising approximately 7,188 hectares and two overlying placer claims comprising 43 hectares on Valentine Mountain located 50 kilometres west northwest of Victoria, British Columbia, Canada for total consideration of \$39,158 and 29,167 common shares of the Company valued at \$270,000. One of the claims is subject to a 5% net smelter returns royalty, which the Company may repurchase for \$1,000,000. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

Wigwam Brook Property

In June 2021, the Company entered into an option agreement to acquire 106 mineral claims comprising 2,650 hectares approximately 40 kilometres northeast of Deer Lake, Newfoundland. To exercise the option and acquire the claims, the Company would pay the optionors \$150,000 (of which \$25,000 was paid), issue 2,500,000 shares (of which 400,000 shares with a fair value of \$0.41 per share were issued), and grant to the optionors a 3% net smelter returns royalty of which the Company could purchase half at any time for \$1,500,000. The Company paid a finder's fee of \$4,500 and 75,000 shares with a fair value of \$0.41 per share in respect of the option.

The Company elected to terminate its option subsequent to the end of the year and accordingly recorded a write-down of \$224,250 during the year ended April 30, 2022. Refer to the Schedules of Exploration and Evaluation Assets for a summary of expenditures and continuity of exploration and evaluation assets.

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8. FLOW-THROUGH SHARE PREMIUM

A summary of the changes in the Company's flow-through share premium liability during the years ended April 30, 2022 and 2021 is as follows:

	April 30, 2022	April 30, 2021
Balance, beginning of year	\$ 582,396	\$ 432,250
Flow-through share premium upon the issuance of flow-through common shares	1,200	534,762
Settlement of flow-through share premium upon incurring qualifying resource expenditures	(311,968)	(384,616)
Balance, end of year	\$ 271,628	\$ 582,396

9. SHARE CAPITAL

Authorized

An unlimited number of common shares without par value.

Issued

In June 2020, the Company issued 750,100 common shares with a fair value of \$0.44 per share (\$330,045 total) for the purchase of exploration and evaluation assets.

In August 2020, the Company issued, pursuant to a private placement, 4,600,661 units at a price of \$0.65 per unit for gross proceeds of \$2,990,430. Each unit comprised one common share and one-half of one share purchase warrant. Each full warrant, in turn, entitles the holder to purchase an additional common share at a price of \$0.85 until August 13, 2022. In respect of the offering, the Company paid finders' fees totalling \$105,308 and issued 162,012 finders' warrants exercisable until August 13, 2022 at \$0.85 per share and valued at \$124,177.

In August 2020, the Company issued, pursuant to a private placement, 600,000 flow-through common shares at a price of \$1.00 per share for gross proceeds of \$600,000, including a flow-through share premium of \$210,000. The Company paid a finders' fee of \$36,000 in respect of the offering.

In September 2020, the Company issued 1,600,000 common shares with a fair value of \$0.71 per share (\$1,136,000 total) in respect of the exercise of an option to purchase exploration and evaluation assets.

In October 2020, the Company issued, pursuant to a private placement, 160,000 units at a price of \$0.65 per unit for gross proceeds of \$104,000. Each unit comprised one common share and one-half of one share purchase warrant. Each full warrant, in turn, entitles the holder to purchase an additional common share at a price of \$0.85 until October 16, 2022.

In November 2020, the Company issued, pursuant to a private placement, 1,476,190 flow-through common shares at a price of \$1.05 per share for gross proceeds of \$1,549,999, including a flow-through share premium of \$324,762. The Company paid finders' fees totalling \$93,000 in respect of the offering.

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9. SHARE CAPITAL (continued)

Issued (continued)

In May 2021, the Company issued 592,000 common shares with a fair value of \$0.43 per share (\$254,560 total) in respect of an option to purchase exploration and evaluation assets.

In June 2021, the Company issued 783,305 common shares with a fair value of \$0.41 per share (\$321,155 total) in respect of three options to purchase exploration and evaluation assets, and issued 169,980 shares with a fair value of \$0.41 per share (\$69,692 total) as finders' fees in respect of the transactions.

In July 2021, the Company issued 3,800,000 common shares with a weighted average fair value of \$0.51 per share (\$1,935,000 total) for the purchase of exploration and evaluation assets.

In September 2021, the Company issued 250,000 common shares with a fair value of \$0.46 per share (\$115,000 total) in respect of an option to purchase exploration and evaluation assets.

In November and December 2021, the Company issued, pursuant to a private placement, 1,945,000 non-flow-through units at a price of \$0.40 per unit and 40,000 flow-through units at a price of \$0.50 per unit for gross proceeds of \$798,000, including a flow-through share premium of \$1,200. Each non-flow-through unit consisted of one non-flow-through common share and one-half of a warrant. Each full warrant, in turn, allows the holder to purchase one non-flow-through share at \$0.60 during the first year following the closing and \$0.80 during the second year. Each flow-through unit comprised one flow-through common share and one-half of a warrant. Each full warrant, in turn, allows the holder to purchase one non-flow-through share at \$0.75 during the first year following the closing and \$1.00 during the second year. The Company paid cash finders' fees totaling \$17,880 and 41,400 finders' warrants with a fair value of \$9,473 in respect of the offering.

Share purchase warrants

The continuity of warrants during the years ended April 30, 2022 and 2021 is as follows:

	2022		2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	2,542,341	\$ 0.85	-	\$ -
Issued	1,033,900	0.60	2,542,341	0.85
Expired	-	-	-	-
Balance, end of year	3,576,241	\$ 0.78	2,542,341	\$ 0.85

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9. SHARE CAPITAL (continued)

Share purchase warrants (continued)

A summary of share purchase warrants outstanding as of April 30, 2022 and 2021 is as follows:

Exercise Price Per Share	Expiry Date	Number of Warrants Outstanding and Exercisable	
		2022	2021
\$0.85	August 13, 2022	2,462,341	2,462,341
\$0.85	October 16, 2022	80,000	80,000
\$0.75	November 24, 2023	20,000	-
\$0.60	November 24, 2023	981,750	-
\$0.60	December 20, 2023	32,150	-
Balance, end of year		3,576,241	2,542,341

The Company issued finders' warrants in respect of a private placement in November and December 2021 to purchase 41,400 shares of the Company at a price of \$0.60 per share during the first year and \$0.80 per share during the second year. The fair value of finders' warrants issued during the years ended April 30, 2022 and 2021 was estimated using the Black-Scholes option valuation model with the following assumptions:

	Total or Weighted Average	
	2022	2021
Number of finders' warrants	41,400	-
Estimated life	2 years	-
Share price at date of issuance	\$ 0.38	-
Finders' warrant exercise price	\$ 0.60	-
Risk-free interest rate	0.31%	-
Estimated annual volatility based on historical volatility	139%	-
Expected dividends	-	-
Finders' warrant fair value	\$ 0.23	-
Value of finders' warrants	\$ 9,473	-

Share-based payments

The Company has an equity-settled stock option plan under which the Board of Directors may grant options to directors, officers, other employees and consultants. The purpose of the plan is to advance the interests of the Company by encouraging these individuals to acquire shares in the Company and thereby remain associated with, and seek to maximize the value of, the Company.

Under the plan, the number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares on a non-diluted basis from time to time. The options expire not more than 10 years from the date of grant or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant.

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9. SHARE CAPITAL (continued)

Share-based payments (continued)

The Company granted no stock options during the year ended April 30, 2022. The Company granted stock options in October 2020 to six optionees to purchase up to 1,800,000 shares of the Company at a price of \$0.75 per share until October 9, 2025.

The fair value of stock options issued during the years ended April 30, 2022 and 2021 was estimated using the Black-Scholes option pricing model with the following assumptions:

	Total or Weighted Average	
	2022	2021
Number of options	-	1,800,000
Number of options vested	-	1,800,000
Estimated life	-	5 years
Share price at date of vesting	-	\$ 0.71
Option exercise price	-	\$ 0.75
Risk-free interest rate	-	0.38%
Estimated annual volatility based on historical volatility	-	196%
Expected dividends	-	-
Option fair value	-	\$ 0.69
Compensation cost	-	\$1,241,078

A summary of the Company's outstanding and exercisable stock options as of April 30, 2022 and 2021, and the changes for the years ending on those dates is as follows:

	2022			2021		
	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
Balance, beginning of year	2,050,000	\$ 0.68	4.0	375,000	\$ 0.20	2.1
Granted	-	-	-	1,800,000	0.75	-
Expired	-	-	-	(125,000)	(0.20)	-
Balance, end of year	2,050,000	\$ 0.68	3.0	2,050,000	\$ 0.68	4.0

A summary of stock options outstanding as of April 30, 2022 and 2021 is as follows:

Exercise Price Per Share	Expiry Date	Number of Stock Options Outstanding and Exercisable	
		2022	2021
\$0.20	June 9, 2022	250,000	250,000
\$0.75	October 9, 2025	1,800,000	1,800,000
		2,050,000	2,050,000

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10. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel transactions

Key management personnel are those persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. The Company has identified its directors and senior officers as its key management personnel. The compensation costs for key management personnel for the years ended April 30, 2022 and 2021 are as follows:

	2022	2021
Management fees paid to a corporation controlled by the Company's Chief Executive Officer	\$ 96,000	\$ 80,000
Management fees paid to a director	24,000	25,000
Management fees paid to a corporation controlled by the Company's Chief Financial Officer	91,714	118,459
Consulting fees paid to a director	12,000	10,000
Fair value of stock options to purchase 1,500,000 shares of the Company at \$0.75 per share to two officers and three directors	-	1,034,232
	<u>\$223,714</u>	<u>\$1,267,691</u>

11. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is the carrying value of its financial assets, which comprise cash, cash equivalents and reclamation bonds held with high creditworthy financial institutions, and which total \$1,596,224 (2021 – \$3,454,916). In the opinion of management, none of the Company's financial assets were exposed to significant credit risk as at April 30, 2022 or 2021.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had cash and cash equivalents at April 30, 2022 in the amount of \$1,583,224 (2021 – \$3,441,916) in order to meet short-term business requirements. At April 30, 2022, the Company had current liabilities of \$483,986 (2021 – \$895,657). Accounts payable have contractual maturities of approximately 30 days or are due on demand and are subject to normal trade terms, and amounts due to related parties are without stated terms of interest or repayment (see note 1 – Nature of Operations and Going Concern).

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11. FINANCIAL INSTRUMENTS (continued)

Market Risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk has two components:

- a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is currently held on deposit at a major bank. Management considers the interest rate risk to be minimal.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to material foreign currency risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to its investments as they are carried at fair value based on quoted market prices. Based on the investments balance as at April 30, 2022, a 10% change in share price would have affected the Company's comprehensive loss for the year by approximately \$328.

Fair Value of Financial Instruments

IFRS 7 – *Financial Instruments: Disclosures* – establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

The fair value of the Company's cash and cash equivalents and investments, other than those carried at cost, is categorized as Level 1 in the Fair Value Hierarchy. The fair value of the Company's reclamation bonds approximates their carrying value because they bear interest at prevailing market rates. The fair value of the Company's accounts payable and accrued liabilities approximates their carrying values because of the short-term or on-demand nature, as applicable, of these instruments.

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(Expressed in Canadian Dollars)

April 30, 2022 and 2021

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of cash. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at April 30, 2022, the Company had \$11,774,376 of capital (2021 – \$8,810,098), an increase in capital of \$2,964,278 during the year ended April 30, 2022 (2021 – \$5,073,426).

The Company is not subject to any externally imposed capital requirements.

13. INCOME TAXES

The Company's income tax rate is 27%. The provision for income taxes for the years ended April 30, 2022 and 2021 differs from the amounts computed by applying the statutory rates to the loss before tax provision due to the following:

	2022	2021
Statutory rate	27%	27%
Income taxes recovered at the statutory rates	\$ (293,964)	\$ (570,276)
Items not deductible (taxable) and other	(10,919)	301,978
Adjustment to prior years' provision	137,667	-
Change in unrecognized deductible temporary differences	167,216	268,298
Deferred income tax recovery recognized in the year	\$ -	\$ -

The approximate tax effects of each type of temporary difference that gives rise to deferred tax assets as of April 30, 2022 and 2021 are as follows:

	2022	2021
Non-capital loss carryforwards	\$ 1,705,759	\$ 1,339,515
Capital loss carryforwards	164,426	162,964
Canadian and foreign exploration and development expenditures	390,943	586,949
Investments	(261)	(436)
Share issuance costs	22,163	26,822
Other	2,839	2,839
Unrecognized deferred tax assets	(2,285,869)	(2,118,653)
Net deferred tax assets	\$ -	\$ -

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(Expressed in Canadian Dollars)

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13. INCOME TAXES (continued)

The Company has non-capital losses of approximately \$6,317,700 available to reduce future years' income for tax purposes, the tax effect of which has not been recognized in these financial statements. If unused, the losses will expire as follows:

2026	\$	247,500
2027		287,800
2028		196,400
2029		302,100
2030		229,500
2031		224,500
2032		380,500
2033		412,200
2034		314,300
2035		235,500
2036		130,600
2037		367,800
2038		352,800
2039		157,000
2040		297,000
2041		1,291,000
2042		891,200
	\$	<u>6,317,700</u>

14. COMMITMENTS

The Company entered into a consulting agreement in July 2020 with a corporation controlled by its Chief Executive Officer whereby that corporation will provide consulting services for a fee of \$8,000 per month. Severance fees of \$192,000 are payable by the Company upon a change of control of, or termination without cause by, the Company. Subsequent to the end of the year, the agreement was terminated by mutual consent of the parties.

The Company entered into a consulting agreement in February 2013 with a corporation controlled by its Chief Financial Officer whereby that corporation will provide consulting services at its standard rates. The agreement may be terminated by the Company without cause upon payment of three months of fees as severance.

Pursuant to the terms of flow-through share agreements effective February 28, 2020, August 21, 2020 and November 20, 2020, the Company agreed to incur qualifying resource expenditures of not less than \$3,151,000 by December 31, 2022 and renounce these expenditures to the shareholders. As of April 30, 2022, the Company had incurred \$1,863,901 (2021 – \$890,689) of qualifying resource expenditures and had an unspent flow-through commitment of \$1,287,099 (2021 – \$2,260,311).

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15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank balances and short-term deposits with banks. Cash and cash equivalents included in the Statements of Cash Flows comprise the following amounts:

	2022	2021
Bank balances	\$ 243,531	\$ 1,063,134
Short term deposits restricted for exploration	1,339,693	2,378,782
Balance, end of year	\$ 1,583,224	\$ 3,441,916

16. NON-CASH TRANSACTIONS

During the year ended April 30, 2022, the Company issued 5,595,285 shares with a fair value of \$2,695,407 in respect of options to purchase and agreements to purchase exploration and evaluation assets and issued 41,400 finders' warrants with a fair value of \$9,473 in respect of a non-brokered private placement. In addition, the Company recorded a reserve for an obligation to issue 1,000,000 shares with a fair value of \$580,000 in respect of the purchase of an exploration and evaluation asset.

During the year ended April 30, 2021, the Company issued 2,350,100 shares with a fair value of \$1,466,045 in respect of the purchase of exploration and evaluation assets, and issued warrants to purchase up to 162,012 shares at a price of \$0.85 per share valued at \$124,177 as finders' fees in respect of a private placement. In addition, options to purchase up to 125,000 shares at a price of \$0.20 per share valued at \$29,263 expired unexercised.

17. SUBSEQUENT EVENTS

Subsequent to the end of the year, the Company issued 283,305 shares with a fair value of \$45,329 in respect of an option to purchase an exploration and evaluation asset, and issued 1,000,000 shares with a fair value of \$135,000 pursuant to an agreement to purchase an exploration and evaluation asset. In addition, stock options to purchase up to 250,000 shares at a price of \$0.20 per share and with a fair value of \$58,526 and warrants to purchase up to 2,462,341 shares at a price of \$0.85 per share and with a fair value of \$124,177 expired unexercised.

In June 2022, the Company entered into three consulting agreements with its Chief Financial Officer and companies controlled by its Chief Executive Officer and Corporate Secretary. The agreements provide for monthly fees in the amount of \$4,000, \$7,000 and \$3,000, respectively. The agreements may be terminated by any party upon 90 days written notice.

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Schedule of Exploration and Evaluation Assets

(Expressed in Canadian Dollars)

Year ended April 30, 2022

	Bursey & Grubb	Chubb & Bouvier	Goldson	Northbound	Rodgers Cove	Southern Star	Southwest Pond	Unity Group	Urban Thunder	Valentine Mountain	Wigwam Brook	Total
Balance, April 30, 2021	\$ -	\$ 696,982	\$ -	\$ 1,809,292	\$ -	\$ 944,982	\$ -	\$ -	\$ 216,243	\$ 1,548,920	\$ -	\$ 5,216,419
Acquisition costs incurred in the year												
Option payments, cash	20,000	-	20,000	-	35,000	-	-	-	-	-	29,500	104,500
Option payments, shares	299,656	-	115,000	-	151,001	-	-	-	-	-	194,750	760,407
Purchase payments, cash	5,500	-	-	-	-	-	60,000	150,000	-	-	-	215,500
Purchase payments, shares	45,000	-	-	-	-	-	870,000	1,600,000	-	-	-	2,515,000
Other	-	940	-	1,206	-	1,751	-	14,970	-	-	-	18,867
	370,156	940	135,000	1,206	186,001	1,751	930,000	1,764,970	-	-	224,250	3,614,274
Exploration costs incurred in the year												
Assays	-	55,112	-	-	-	18,841	-	-	-	-	-	73,953
Drilling	-	615,469	-	-	-	23,944	-	-	-	-	-	639,413
Geological consulting	-	6,760	-	4,202	-	10,024	-	-	-	5,600	-	26,586
Geophysics	-	-	-	8,500	-	214,816	-	-	-	-	-	223,316
Prospecting	148,069	6,240	15,985	-	113,333	-	-	125,116	-	-	-	408,743
Reclamation	-	-	-	-	-	-	-	-	-	24,020	-	24,020
	148,069	683,581	15,985	12,702	113,333	267,625	-	125,116	-	29,620	-	1,396,031
Write-down	-	-	-	-	-	-	-	-	-	-	(224,250)	(224,250)
Balance, April 30, 2022	\$518,225	\$1,381,503	\$150,985	\$1,823,200	\$299,334	\$1,214,358	\$930,000	\$1,890,086	\$216,243	\$1,578,540	\$ -	\$10,002,474

The accompanying Notes to the Financial Statements are an integral part of these financial statements

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Schedule of Exploration and Evaluation Assets

(Expressed in Canadian Dollars)

Year ended April 30, 2021

	Chubb & Bouvier	Northbound	Southern Star	Urban Thunder	Valentine Mountain	Total
Balance, April 30, 2020	\$484,228	\$514,037	\$ -	\$183,418	\$1,388,238	\$2,569,921
Acquisition costs incurred in the year						
Purchase payments, cash	-	100,000	26,500	-	-	126,500
Purchase payments, shares	-	1,136,000	330,045	-	-	1,466,045
Other	4,868	508	4,062	1,645	-	11,083
	4,868	1,236,508	360,607	1,645	-	1,603,628
Exploration costs incurred in the year:						
Assays	-	-	3,845	-	-	3,845
Drilling	201,386	1,320	415,700	-	-	618,406
Geological consulting	6,500	5,128	15,178	-	1,376	28,182
Geophysical	-	54,587	149,652	31,180	-	235,419
Reclamation	-	-	-	-	159,306	159,306
Mining tax credit	-	(2,288)	-	-	-	(2,288)
	207,886	58,747	584,375	31,180	160,682	1,042,870
Balance, April 30, 2021	\$696,982	\$1,809,292	\$944,982	\$216,243	\$1,548,920	\$5,216,419

The accompanying Notes to the Financial Statements are an integral part of these financial statements