



Management's Discussion & Analysis

Financial period ended October 31, 2024

Containing information as of December 4, 2024

Caution Regarding Forward-Looking Information

Certain of the statements made and information contained herein and in the financial statements are “forward-looking information” or “forward-looking statements” within the meaning of the *Securities Act* (British Columbia). This includes statements by the Company concerning exploration results, including deposit size, quantities, grades and contained metals, which are generally based on estimations and extrapolations from a limited number of samples, drill holes and assays. These estimations and extrapolations are subject to uncertainties, which include but are not limited to uncertainties in evaluating a deposit until the deposit has been extensively drilled on closely spaced intervals. Should one or more of these underlying estimations or extrapolations prove incorrect, actual results may vary materially from those described in forward-looking statements.

Forward-looking statements contained herein also include the Company’s future operating costs and exploration plans at its mineral properties. These involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for funding necessary for operating costs, to acquire and maintain exploration properties and to carry out its desired exploration programs; difficulties in executing exploration programs on the Company’s proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or the availability of essential supplies and services; and factors beyond the capacity of the Company to anticipate and control, such as the marketability of minerals, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production. Should one or more of these risks or uncertainties materialize, actual results may vary materially from those described in forward-looking statements.

Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether because of new information, future events or otherwise.

Description of Business

Newfoundland Discovery Corp. (the “Company” or “Newfoundland Discovery”) is a junior exploration company incorporated under the laws of the Province of British Columbia, Canada and whose common shares are listed on the Canadian Securities Exchange. Its principal business is the exploration for minerals and the development of its gold and lithium projects located in Newfoundland and Labrador, Quebec, and British Columbia, Canada. Newfoundland Discovery is in the exploration stage and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

The following discussion and analysis of the operations, results and financial position of Newfoundland Discovery should be read in conjunction with the condensed consolidated interim financial statements as of and for the periods ended October 31, 2024 and 2023 and the notes

and schedules thereto (the “financial statements”). The financial statements are incorporated herein by reference.

The financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) and unless otherwise cited, references to dollar amounts are Canadian dollars. The financial statements were prepared on a going concern basis, which presumes the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company had negative working capital of \$223,733 as of October 31, 2024 and has accumulated losses of \$31,409,260 since incorporation. The Company’s ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in the future.

Overall Performance and Discussion of Operations

Second Quarter Results

During the second quarter of its 2025 financial year, the Company experienced a net loss of \$89,672. This represents a decrease of \$1,037,505 from the \$1,127,177 loss in the same quarter last year. This decrease was caused primarily by a \$35,250 decrease in consulting fees, a \$6,000 decrease management fees, a \$10,500 decrease in rent, a \$6,533 decrease in travel accommodation expense, and a \$980,500 decrease in the write-down of exploration and evaluation assets.

Six-Month Results

During the first half of the Company’s 2025 financial year, the Company had a net loss of \$177,259, a \$1,110,211 decrease over the \$1,287,470 loss during the same period last year. This decrease was caused primarily by a \$65,917 decrease in consulting fees, a \$12,000 decrease management fees, a \$16,913 decrease in office expense, a \$17,500 decrease in rent, a \$5,921 decrease in transfer agency fees, a \$9,818 decrease in travel accommodation expense, and a \$980,500 decrease in the write-down of exploration and evaluation assets.

Cash Flow

As of October 31, 2024, the Company had cash of \$63,388 as compared with cash of \$294,174 at the beginning of the financial year, a decrease of \$230,786. During the period, the Company used \$178,685 of cash for its operations and \$30,600 for the exploration of its exploration and evaluation assets.

For a detailed breakdown of exploration and evaluation assets for the first six months of the Company’s 2025 financial year on a property-by-property basis as well as for the corresponding period last year, refer to the Schedule of Exploration and Evaluation Assets accompanying the financial statements.

General

As of October 31, 2024, the Company had no contractual obligations, such as long-term debt, capital lease obligations, operating leases or purchase obligations, except as described in the financial statements, nor did it have commitments for capital expenditures. Refer to note 12 to the financial statements.

In general, lithium and gold prices are historically strong and equity markets remain positive. Many analysts expect gold and lithium prices to remain stable or strengthen, so the Company plans to

further explore its core portfolio of mineral properties as funds permit, while still carefully managing its operating expenses.

Summary of Unaudited Quarterly Results

	2025			2024			2023		
	2 nd Quarter	1 th Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter	4 th Quarter	3 rd Quarter	
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Income (loss) for the period	(89,672)	(87,587)	(11,361,993)	(334,809)	(1,127,177)	(160,293)	(2,008,779)	118,976	
Income (loss) per share	(0.01)	(0.01)	(1.22)	(0.04)	(0.12)	(0.02)	(0.22)	0.02	
Total comprehensive income (loss)	(89,672)	(87,587)	(10,520,314)	(772,872)	(965,279)	(725,807)	(1,990,152)	119,615	

Variations in loss from quarter to quarter typically result from increases or decreases in exploration and business activity. During periods of greater activity consulting fees, investor relations expense, office and administrative costs, and regulatory approval costs will typically increase.

During the fourth quarter of 2024, the Company recorded a \$9,976,628 write-down of exploration and evaluation assets, a \$1,054,825 realized loss on investments, and interest expense of \$172,237. During the third quarter of 2024, the Company recorded a \$199,000 write-down of exploration and evaluation assets. During the second quarter of 2024, the Company recorded a \$980,500 write-down of exploration and evaluation assets and an unrealized gain on investments of \$161,898. During the fourth quarter of 2023, the Company recorded a \$1,575,124 write-down of exploration and evaluation assets, investor relations costs of \$433,720, a \$174,987 non-cash share-based compensation expense relating to the grant of stock options, and a \$421,911 gain on the sale of exploration and evaluation assets. During the third quarter of 2023, the loss decreased because of a \$264,880 non-cash income tax recovery relating to the derecognition of a flow-through share premium.

The differences between loss for the period and total comprehensive loss are the result of non-cash unrealized gains and losses on investments and reclassification to profit and loss upon realization.

The quarterly results summarized herein were prepared in accordance with IFRS and are expressed in Canadian dollars.

Liquidity and Capital Resources

The Company does not yet generate positive cash flow from operations and is therefore reliant upon the issuance of its own common shares to fund its operations.

As of the October 31, 2024 quarter end, the Company was not adequately funded. Mineral exploration is capital intensive, and to carry out its exploration plans the Company must liquidate investments or raise additional equity capital, though there is no certainty that such financings will be completed.

The Company is presently unable to meet all of its ongoing financial obligations as they become due. It has no debt obligations and no commitments other than as described herein and in its financial statements.

Description of Properties

Burseley 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 paid \$25,500 (all of which has been paid) and issued 79,200 shares (all of which have been issued, with a fair value of \$4.30 per share) and must incur \$300,000 of exploration expenditures (all of which has been incurred) on a portion of the claims within two years, and \$25,000 of exploration expenditures (of which, \$Nil has been incurred) on another portion of the claims within two years (amended to three years in May 2023). 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 999 shares with a fair value of \$4.10 per share in respect of one of the options.

The Company's first phase exploratory program on the Property comprised prospecting, geological mapping, soil sampling, and ground geophysics. To date, 1,890 soil samples and 89 rock samples have been collected.

As the Property was previously unexplored, new discoveries include significant zones of mineralization and extensive alteration characteristics associated with gold-bearing quartz veining. Multiple heavy mineralized bedrock and float samples were noted to contain copper while several quartz-carbonate veins with copper and gold pathfinder minerals were located. These features appear promising for the presence of an orogenic gold-copper mineralization.

During the year ended April 30, 2024, the Company permitted the Burseley East claims to lapse, and the Burseley North option terminated for failure to incur \$25,000 of exploration expenditures. The Company recognized a write-down of \$100,596.

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 360,000 common shares with a fair value of \$4.10 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, 25,000 common shares with a fair value of \$4.00 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.

The Northbound gold property, contiguous to the northwest of the Wallbridge Mining Company Ltd. Fenelon Gold Deposit, is located approximately 85 kilometres northwest of the town of

Matagami in northern Quebec, Canada. The Northbound property totals 56 mineral claims covering approximately 3,076 hectares.

The Northbound property is underlain by Jeremie Pluton, an intrusive body becoming increasingly important at the contiguous Wallbridge Fenelon property. Wallbridge exploration in 2019 tested strike extensions of known mineralization from the metasediments and metavolcanics and gabbro into the Jeremie pluton. Wallbridge drilling to date has confirmed the extensions of the gold-bearing mineralized zones well into the pluton and the zones appear to be open further into the pluton. Newfoundland Discovery cautions investors that mineralization on the Wallbridge Fenelon property is not necessarily indicative of similar mineralization on Newfoundland Discovery's Northbound property.

The Northbound property optionors completed a Long Wave InfraRed ("LWIR") survey over the Northbound property. LWIR utilizes the long wave infrared bands on the Aster Satellite to penetrate through vegetation into the top 30 to 60 centimetres of the earth's surface. While the long wave data is readily available, the algorithms to process the data are proprietary. The survey measures the individual mineral reflectance spectroscopy of the various constituent minerals against known standards to highlight anomalies within the area surveyed. The Aster data comes in predetermined sheets, so the data included much of the surrounding area including the ground underlying the Wallbridge Fenelon property.

The resulting plots for each of the 16 end members identified in the survey were examined for anomalies on the Northbound property. Anomalies were also examined on the Wallbridge Fenelon property to compare and contrast against the Northbound property. Three key conclusions were drawn from the LWIR:

- While the Fenelon deposit shows a rather muted response under the LWIR, at least one of the key minerals share similar responses at Fenelon and on the Northbound claim block, hematite.
- The LWIR is suggesting a multi-element area of anomalous responses in the southern portion of the Northbound claim block: chalcopyrite, quartz and to a lesser extent alunite and pyrrhotite.
- The pyrrhotite and the tourmaline responses also appear to show coincidental major and lesser anomalies within the Northbound claim block as well.

The strong coincidental chalcopyrite, quartz and alunite anomalies within the southern portion of the Northbound block are a high priority target and will form the initial focus of the Newfoundland Discovery exploration program.

Management cautions that coincident LWIR anomalies on both the Northbound property and the Wallbridge Fenelon property are not necessarily indicative of similar mineralization on the Northbound property.

In July 2020, the Company completed an airborne survey of the Northbound Property. A total distance of 853 line-kilometres of airborne magnetic survey was flown on 50-metre line spacings. Airborne magnetic was chosen on these property areas to target magnetic responsive structures representing shear zones with quartz. The geophysical data is being analyzed for further exploration.

R. Tim Henneberry, P.Ge. (British Columbia), a consultant to Newfoundland Discovery Corp., is the qualified person who has reviewed and approved the technical content herein on behalf of the Company.

During the year ended April 30, 2024, the Company recognized a write-down of \$1,823,768, leaving a nominal value of \$1. The Company intends to maintain the claims in good standing using the available exploration reserve.

Robinson's Salt Property

In September 2022, the Company acquired 2 mineral licenses totalling 10 claim blocks and covering 250 hectares within the Codroy Group on the southwestern coast of Newfoundland, Canada by issuing 200,000 common shares with a fair value of \$0.80 per share (\$160,000 total). The property is subject to a 2% net smelter returns royalty, of which the Company may purchase 1% (being 50%) for \$1,000,000.

During the year ended April 2024, the Company recognized a write-down of \$159,999, leaving a nominal value of \$1. The Company does not intend to maintain the claims in good standing and will permit them to lapse.

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 Property for a total of \$26,500 cash, 75,010 common shares with a fair value of \$4.40 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.

The Southern Star property is mainly underlain by the Brouillan-Fenelon geological group, which is made up of felsic to mafic volcanosedimentary rocks. The Bapst Fault marks the contact between the Brouillan-Fenelon Group and the Brouillan intrusive in the southwest portion of the property. The Grasset Fault also crosses in part to the northeast of the property.

The Bapst Fault runs northwest-southeast through the southwest part of the property. In the southwest section of the property, there was a historic silver intercept (SG3-1) along the Bapst Fault. The intercept returned 5.6 g/t silver over 1.4 metres and 5 g/t silver over one metre within drill holes (Mercier et al., 1996). This silver intercept was targeted within an area of conductor anomalies and a VTEM target identified by Midland Exploration in 2017.

There are two additional distinct electromagnetic ("EM") targets located on this property and it covers 11 kilometres along the extension of the Lower Detour Fault. There has been little historical work to test these different targets on the property, yet.

In July 2020, the Company completed an airborne survey of the Southern Star Property. A total distance of 1,496 line-kilometres of airborne magnetic and electromagnetic survey was flown on 100-metre line spacing. The geophysical data was analyzed and interpreted by Mr. Joel Dubé, P. Eng., a geophysics specialist of Dynamic Discovery Geoscience Ltd., and a detailed target characteristic report was compiled.

2021 Drilling Program

In April 2021, the Company completed a four-hole, 2,425-metre drilling program on the Southern Star property. No significant assay results were reported.

Drill targets for the Southern Star drill program consisted of airborne EM anomalies concentrated in the northern portion of the property. Much of the property remains unexplored and will be the focus of additional drill programs as targets are defined.

Donald Théberge, P.Eng., M.B.A., a Qualified Person within the meaning of National Instrument 43-101, has reviewed and approved the technical contents herein.

During the year ended April 2024, the Company recognized a write-down of \$1,221,132, leaving a nominal value of \$1. The Company intends to maintain the claims in good standing using the available exploration reserve.

Sugaree Property

In January 2023, the Company acquired 340 claims comprising 2,376-hectares located in the Quetico Subprovince located roughly 15 kilometers south of Hearst, Ontario with easy access by forestry roads. The claims have demonstrated preferred geologic environments with S-type granitoids, and pegmatites hosted by metamorphosed sediments (paragneiss) and metavolcanics. The property is adjacent to Brunswick exploration's newly staked ground, containing both a spodumene and a lepidolite (lithium-rich mica) zone. The Company acquired the property by purchasing all of the issued and outstanding securities of 1000377311 Ontario Inc. for \$20,000 and issuing 3,200,000 common shares with a fair value of \$0.80 per share (\$2,560,000 total).

During the year ended April 2024, the Company recognized a write-down of \$2,593,201, leaving a nominal value of \$1. The Company does not intend to maintain the claims in good standing and will permit them to lapse.

Unity Group Property

In July 2021, the Company acquired five claim blocks comprising 366 mineral claims (194 claims lapsed during the year ended April 30, 2024) covering 9,150 hectares in northeastern Newfoundland for \$150,000, 320,000 shares with a fair value of \$5.00 per share (\$1,600,000 total), and a 2% net smelter returns royalty of which the Company may purchase half for \$1,500,000.

During the year ended April 2024, the Company recognized a write-down of \$1,899,910, leaving a nominal value of \$1. The Company does not intend to maintain the claims in good standing and will permit them to lapse.

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, 75,000 shares with a value of \$1.60 per share, and a 2% net smelter returns royalty. The Company also paid a finder's fee totaling 7,500 shares with a value of \$1.60 per share.

During the year ended April 2024, the Company recognized a write-down of \$223,980, leaving a nominal value of \$1. The Company does not intend to maintain the claims in good standing and will permit them to lapse.

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 2,917 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.

During the year ended April 2024, the Company recognized a write-down of \$1,593,129, leaving a nominal value of \$1. The Company does not intend to maintain the claims in good standing and will permit them to lapse.

Voltstone Property

In July 2023, the Company internally staked 266 mineral claims in northwestern Ontario for \$10,000. The property is located less than 10 kilometres from Pegmatite One Lithium and Gold Corp.'s Frazer Lake Mound Property.

During the year ended April 2024, the Company recognized a write-down of \$9,999, leaving a nominal value of \$1. The Company does not intend to maintain the claims in good standing and will permit them to lapse.

Outstanding Share Data

On November 6, 2024, the Company completed a consolidation of its share capital whereby one new common share was issued for every ten old common shares. All common share and commitments to issue common shares information has been restated retroactively throughout this management's discussion and analysis to reflect this share consolidation.

As of the date hereof, the Company has 9,322,647 common shares issued and outstanding.

The Company has outstanding options which, as of the date hereof, may be exercised to purchase a total of 480,000 shares. Of this total, 105,000 options may be exercised at \$7.50 per share until October 9, 2025 and 375,000 options may be exercised at \$0.70 per share until February 28, 2026.

The Company has, as of the date hereof, outstanding warrants which may be exercised to purchase a total of 595,419 shares. A summary of those warrants is as follows:

Exercise Price Per Share	Expiry Date	Number of Warrants
\$1.00	February 9, 2025	595,419
Total		595,419

Transactions Between Related Parties

During the six-month period ended October 31, 2024 and 2023, compensation costs for key management personnel were:

	2024	2023
Management fees paid to a corporation controlled by the Company's Chief Executive Officer	\$ 60,000	\$ 60,000
Management fees paid to a director	12,000	12,000
Management fees paid to the Company's Chief Financial Officer	24,000	36,000
Management fees paid to a corporation controlled by the Company's Chief Financial Officer	12,000	-
Consulting fees paid to a director	-	6,000
	<u>\$ 108,000</u>	<u>\$ 114,000</u>

As at October 31, 2024, \$58,200 (2023 - \$3,100) was due to key management personnel and management entities and is included in accounts payable and accrued liabilities on the condensed consolidated interim statements of financial position.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, reclamation bonds, and accounts payable and accrued liabilities. The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk. There have not been any material changes in the exposure to these risks or the Company's objectives, policies, and processes for managing the 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 and reclamation bonds held with high creditworthy financial institutions, and which total \$76,388 (April 30, 2024 – \$285,673). In the opinion of management, none of the Company's financial assets were exposed to significant credit risk as at October 31, 2024 or April 30, 2024.

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 at October 31, 2024 in the amount of \$63,388 (April 30, 2024 – \$272,673) in order to meet short-term business requirements. At October 31, 2024, the Company had current liabilities of \$306,472 (April 30, 2024 – \$540,920). 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.

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) The Company is exposed to interest rate cash flow risk on floating-rate financial instruments.
- b) The Company is exposed to interest rate fair value risk on fixed-rate financial instruments.

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 not exposed to other price risk as at October 31, 2024.

Other Information

Additional information relating to the Company is available from the Company's website at <https://newfoundlanddiscovery.ca> and on SEDAR PLUS at www.sedarplus.ca.

ON BEHALF OF THE BOARD

/s/ Kelly Abbott

/s/ Jeremy Prinsen