

EXPLOITS DISCOVERY CORP.
(formerly MARINER RESOURCES CORP.)
(the “Company” or “Exploits”)

Form 51-102F1
MANAGEMENT’S DISCUSSION and ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2021

The following Management’s Discussion and Analysis (“MD&A”) supplements, but does not form part of, the unaudited financial statements of the Company and the notes thereto for the three and six months ended April 30, 2021 and 2020 (the “Financial Statements”). Consequently, the following discussion and analysis of the results of operations and financial condition of Exploits should be read in conjunction with the Financial Statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are stated in Canadian dollars unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance. This MD&A has been prepared based on information known to management as of June 28, 2021.

Forward-Looking Statements

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

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

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

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

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

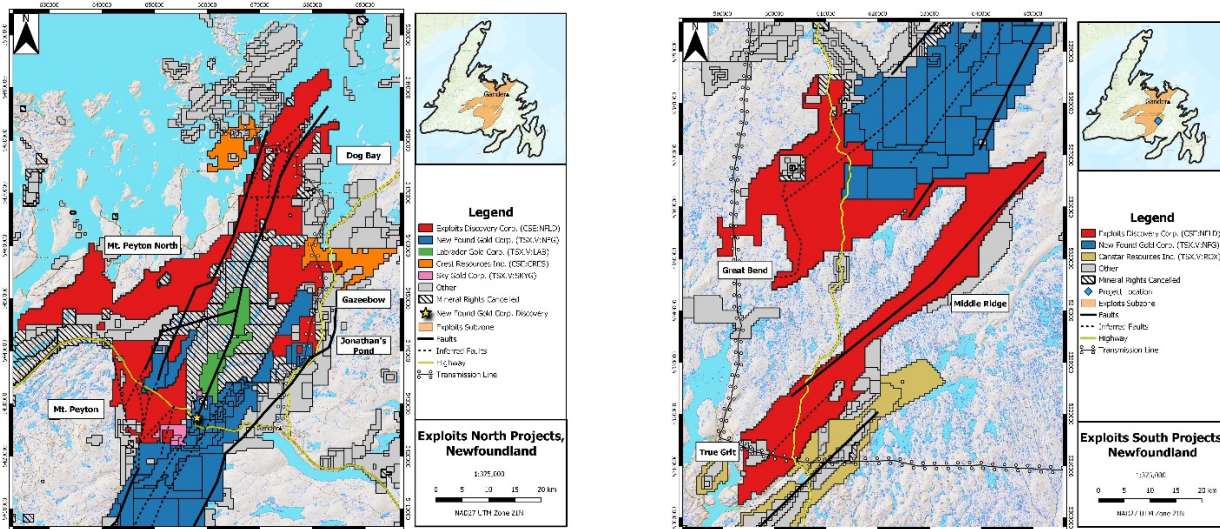
- fluctuations in mineral prices;
- the Company’s dependence on a limited number of mineral projects;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Company’s lack of operating revenues;
- the Company’s ability to obtain necessary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

This is not an exhaustive list of the factors that may affect the Company’s forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Company’s forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Description of Business

Exploits Discovery Corp. (formerly Mariner Resources Corp.) was incorporated under the *Business Corporations Act* (British Columbia) on May 28, 2018. The Company’s head office is at 595 Howe St., Suite 1100, Vancouver, BC, V6C 2T5. The Company is focused on evaluating, acquiring, and exploring mineral properties with significant potential for advancement from discovery through to production, in Canada and abroad. On May 30, 2019, the common shares of the Company were listed on the Canadian Securities Exchange (the “Exchange” or “CSE”) and trade under the trading symbol “NFLD”.

The Company’s principal property interests are its gold exploration properties located in the Exploits Subzone in Newfoundland and Labrador, as pictured here.



Acquisition of Exploits Gold Corp.

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

Property Acquisitions for 2020 & 2021

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

Middle Ridge Property

On July 8, 2020, the Company entered into an Option agreement to acquire a 100% interest in the Middle Ridge Property by making a cash payment of \$240,000 and issuing 1,800,000 common shares of the Company (recorded at a fair value of \$306,000 or \$0.17 per share). The Property is comprised of 558 mineral claims and is located in Central Newfoundland and is subject to a 2.0% net smelter royalty ("NSR").

On July 31, 2020, the Company acquired a 100% interest in an additional 1,024 mineral claims, expanding its Middle Ridge and True Grit Properties, by issuing 6,850,000 common shares of the Company (recorded at a fair value of \$2,534,500 or \$0.37 per share) allocated as \$937,765 to True Grit and \$1,596,735 to Middle Ridge.

Great Bend Property

On July 29, 2020, the Company staked 1,536 claims in central Newfoundland and Labrador for a total cost of \$105,000, which the Company collectively now refers to as the Great Bend Property.

In August 2020, the Company acquired a 100% interest in additional mineral claims, expanding the Great Bend property, by issuing 1,000,000 common shares (with a fair value of \$600,000). The Company will issue another 1,000,000 common shares upon completion of a pre-feasibility study (with a fair value of \$600,000). As of October 31, 2020, 1,000,000 common shares are recorded as obligation to issue shares. These mineral claims are subject to a 2% NSR which the Company can repurchase half (1%) for \$1,000,000.

On August 14, 2020, the Company acquired a 100% interest in an additional 136 mineral claims, expanding its Great Bend Property, by issuing 103,316 common shares of the Company (recorded at a fair value of \$61,990, or \$0.60 per share).

True Grit Property

On July 31, 2020, the Company acquired a 100% interest in the True Grit Property by issuing 150,000 common shares of the Company (recorded at a fair value of \$55,500 or \$0.37 per share) and made a cash payment of \$14,000. The Property is comprised of 614 mineral claims and is located in Central Newfoundland. Certain mineral claims are subject to a 2.0% NSR.

On August 14, 2020, the Company acquired a 100% interest in an additional 370 mineral claims, expanding its True Grit Property, by issuing 281,081 common shares of the Company (recorded at a fair value of \$168,648, or \$0.60 per share).

Mount Peyton Property

On August 5, 2020, the Company acquired a 100% interest in the Mt Peyton Property by issuing a cash payment of \$2,000 and issuing 500,000 common shares of the Company (recorded at a fair value of \$185,000 or \$0.37 per share). In addition, the Company must issue a further 5,000 common shares on the 6th through 20th anniversary of signing the agreement. The Property is comprised of 51 mineral claims and is located in Central Newfoundland.

On August 14, 2020, the Company acquired a 100% interest in an additional 920 mineral claims, expanding its Mt Peyton Property, by issuing 504,426 common shares of the Company (recorded at a fair value of \$302,655, or \$0.60 per share).

On September 18, 2020, the Company expanded its Mt Peyton Property with 811 additional claims through its acquisition of Exploits Gold Corp. *(more information on this transaction can be found on page 2 under the heading "Acquisition of Exploits Gold Corp")*.

Gazeebow Property

On August 10, 2020, the Company acquired a 100% interest in the Gazeebow Property by issuing a cash payment of \$7,000 and issuing 600,000 common shares of the Company (recorded at a fair value of \$360,000, or \$0.60 per share). The Property is comprised of 98 mineral claims and is located in Central Newfoundland. These mineral claims are subject to a 2.0% NSR.

Dog Bay Property

On August 10, 2020, the Company entered into an Option agreement to acquire a 100% interest in the Dog Bay Property by making a cash payment of \$30,000 and issuing 1,000,000 common shares of the Company (recorded at a fair value of \$600,000, or \$0.60 per share). In addition, the Company must issue further payments as follows:

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

The Property is comprised of 485 mineral claims and is located in Central Newfoundland and is subject to a 2.0% NSR.

On August 14, 2020, the Company acquired a 100% interest in an additional 256 mineral claims, expanding its Dog Bay Property, by issuing 194,477 common shares of the Company (recorded at a fair value of \$116,686, or \$0.60 per share).

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

Jonathan's Pond Property

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

Exploits Discovery/Crest Resources Staking Syndicate

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

Overall Performance

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

Summary of Quarterly Results

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

Quarter ended	Apr 30,2021	Jan 31,2021	Oct 31,2020	Jul 30,2020	Apr 30, 2020	Jan 31, 2020	Oct 31, 2019	Jul 30, 2019
Total Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss (\$)	(1,897,716)	(1,777,702)	(2,464,924)	(80,896)	(30,542)	(21,548)	(11,568)	(67,728)
Basic and diluted net loss per common share	(0.03)	(0.12)	(0.17)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)

The net loss for Q2 2021 increased significantly from the Q2 2020 results primarily due to the Company's overall increase in operations in connection with its Newfoundland projects.

- *Restated for the Company's changes in accounting policy – see "change in accounting policy" for more information*

Results of Operations

Three months ended April 30, 2021

The Company incurred a net loss of \$1,897,716 for the quarter ended April 30, 2021 ("Current Quarter") compared to a net loss of \$30,542 for the three months ended April 30, 2020 ("Prior Quarter"), a difference of \$1,867,174, primarily related to the Company's increased operations in connection with its Newfoundland projects and new management. Specific variances include:

- Management fees of \$114,381 increased by \$108,381 (2020 - \$6,000) and include management services rendered in connection with corporate activity and project evaluation;
- Mineral and Property Evaluation expenses increased by \$676,328 for the three months ended April 30, 2021 of \$677,567 from \$1,239 for the three months ended April 30, 2020. The increase is due to the Company's efforts to strategically expand its holdings in the Exploits Subzone in Newfoundland;
- Investor relations expense increased by \$698,385 in the Current Quarter (April 30, 2021 - \$698,985) over the Prior Quarter (April 30, 2020 - \$600) due to a targeted market campaign aimed at increasing shareholder awareness in the Company as well as the Exploits Subzone of Newfoundland;
- Professional fees of \$34,318 (2020 - \$14,500) include accounting and bookkeeping expenses;
- Regulatory and filing fees of \$11,679 (2020 - \$5,542) were incurred for transfer agent fees and expenses related to maintaining the Company's listing on the CSE.
- Share-based compensation of \$534,000 was incurred in the three months ended April 30, 2021 for stock options granted in the period compared to an expense of \$nil for the three months ended April 30, 2020.
- Expenses were offset by the fair value adjustment on investments held of \$222,500 for the three months ended April 30, 2021 as compared to \$nil for the three months ended April 30, 2020.

Six months ended April 30, 2021

The Company incurred a net loss of \$3,675,418 for the six month ended April 30, 2021 compared to a net loss of \$52,000 for the six months ended April 30, 2020, a difference of \$3,623,418, primarily related to the Company's increased operations in connection with its Newfoundland projects and new management. Specific variances include:

- Exploration and evaluation expenses of \$1,732,570 for the six months ended April 30, 2021 increased as

compared to \$7,254 for the six months ended April 30, 2020 as a result of the Company's Newfoundland projects acquired and increased exploration work

- Investor relations expense of \$1316,903 for the six months ended April 30, 2021 as compared to \$1,780 for the six months ended April 30, 2020. The increase in activity is driven by increased exploration and financing activity and new management appointed in late 2020.
- Management fees of \$241,693 for the six months ended April 30, 2021 as compared to \$12,000 for the six months ended April 30, 2020 which increased as a result of new management and an overall increase in activity.
- Share-based compensation of \$534,000 for the six months ended April 30, 2021 as compared to \$nil for the six months ended April 30, 2020 as a result of stock options granted in the period.
- Gain on fair value adjustment on investment of \$352,500 for the six months ended April 30, 2021 as compared to \$nil for the six months ended April 30, 2020 which offsets the increase in expenditures.

Financial instruments and risk management

Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at April 30, 2021, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

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

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

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

Accounts payable

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

Liquidity, Capital Resources and Going Concern

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain adequate financing in the future. Working capital at April 30, 2021 was \$7,155,475.

The Company's cash resources may be sufficient to meet its working capital and mineral property requirements for the pursuing year, however, the Company has no source of revenue and therefore management will continue to seek new sources of capital to maintain its operations and to further the development and acquisition of its mineral properties. These material uncertainties related to certain adverse conditions and events that may cast significant doubt on the validity of this assumption.

Subsequent Events

Subsequent to April 30, 2021, the Company:

- May 6, 2021 The Company has received diamond drilling permits for 12 holes, approximately 3,000 meters at the Jonathan's Pond prospect.
- May 14, 2021 The Company has closed a non-brokered private placement raising \$8,000,000 from Eric Sprott (\$4mm) and New Found Gold (NFG) (\$4mm). The placement will consist of 13,333,334 non flow-through units at \$0.60. Each unit consists of one common share and one full warrant exercisable at \$0.70 for a term of 24 months.
- May 25, 2021 The Company granted to certain of its directors, officers, employees and consultants incentive stock options to purchase up to an aggregate of 1.77 million common shares exercisable on or before May 25, 2023, at a price of \$1.33 cents per share.
- May 27, 2021 Exploits has also announced drilling has started at the Schooner North prospect in the Mt. Peyton project.

- June 3, 2021 The Company has entered into a 50/50 staking syndicate agreement with Crest Resources and acquired through staking the 100-per-cent-owned PB Hill property located in prospective siliciclastic sediments of the Exploits subzone gold belt, Newfoundland. The Crest/Exploits staking syndicate is a 50/50-per-cent syndicate agreement where Crest has provided the geological intellectual property for the staking thesis, and Exploits has financed the staking expenses. Exploits will receive the first 1.2 times cost return on investment and further benefit will be divided on a 50/50-per-cent basis.
- June 6, 2021 Exploits announced the resignation of Mike Collins from the positions of president and chief executive officer. William M. Sheriff, director, has been appointed interim president and chief executive officer.
- June 8, 2021 Exploits announced the appointment of Siri C. Genik as a director of the company.
- June 11, 2021 The Company granted to certain of its directors, officers, employees and consultants incentive stock options to purchase up to an aggregate of 600,000 common shares exercisable on or before June 10, 2024, at a price of \$1.19 cents per share.

Outstanding Share Data

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

Common shares outstanding:			100,623,284
Warrants	Sept 2021	\$0.70	1,203,280
Warrants	Oct 2021	\$0.70	2,085,714
Warrants	Mar 2023	\$0.67	6,022,315
Warrants	Mar 2023	\$0.67	2,527,278
Warrants	Apr 2023	\$0.67	8,200,000
Warrants	May 2023	\$0.70	13,333,334
Agent warrants	Sep 2021	\$0.70	201,000
Agent warrants	Oct 2021	\$0.70	29,400
Agent warrants	Mar 2023	\$0.67	361,252
Agent warrants	Mar 2023	\$0.67	45,732
Stock options	Jul 2022	\$0.59	900,000
Stock options	Feb 2023	\$0.50	1,400,000
Stock options	Oct 2023	\$0.57	2,950,000
Stock options	Feb 2024	\$0.49	250,000
Fully diluted			140,132,589

Securities held in escrow

Upon closing of the IPO, 2,765,000 common shares of the Company outstanding at October 31, 2018 will be subject to an Escrow Agreement. Under the Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the date the Company's common shares are listed for trading (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of the date of these financial statements, 1,244,250 common shares remained in escrow.

Mineral Properties

Middle Ridge Property

The Middle Ridge property is located in central Newfoundland and consists of 1,536 mineral claims covering approximately 384 km² (38,400 Ha). The property is accessible by traveling south from the town of Bishop's Falls on the Bay d'Espoir Highway for 75 km where the property can be accessed by a network of forest service roads.

The property encompasses 40 kilometers of the Gander River Ultra Mafic Belt (GRUB) offset regional structure, which is thought to be very important in the mobilization and concentration of gold mineralization in the area. The property is 82 km south of the late 2019 New Found Gold Corp. gold discovery, which returned a diamond drill hole with 92.86 g/t Au over 19.0 meters near surface (See New Found Gold Corp. news dated January 28, 2020), and lies within similar geological and structural domains.

Property Highlights

- The Middle Ridge project encompasses 40 km of the GRUB line offset, which is the easternmost bounding structure of the Exploits Subzone (a geological subzone formed as a result of the closing of the Iapetus Ocean).
- The GRUB regional thrust fault offset structure, is a conduit and a focus of deep mantle fluids which is believed to be spatially associated with significant gold mineralization in the region.
- Gold deposition in the Exploits Subzone is found in secondary and tertiary structures crosscutting siliciclastic sediments bounded by the GRUB line.
- A combined airborne magnetic and electromagnetic survey in 1969 completed by McPhar Geophysics Ltd, on behalf of Noranda Exploration Ltd. defined discrete conductive zones, (Noranda Exploration, 1971) within these secondary and tertiary structures that warrant further exploration.
- The project is located in a mining and exploration friendly jurisdiction, with government mineral incentives allowing rebates on new exploration projects of up to \$150,000 per year.

2021 Exploration Activities

Exploration at the Middle Ridge Property was conducted in February and early March 2021. Exploration consisted of the completion of the VTEM airborne geophysical survey, conducted by Geotech Ltd., which began in Q1. 3,344 total line kilometres were flown to complete the survey with results being processed by Geotech and expected to be received in Q3. Exploits' in house team along with the company's partner GoldSpot Discoveries Corp., have began interpreting preliminary data to develop follow up field work on the project.

Geology & Structure

The Property straddles a significant regional structure of the Dunnage Zone called the Gander River Ultra Mafic Belt, (GRUB), a regional scale trans-compressional thrust fault marked by a discontinuous belt of ophiolitic rocks (O'Neil and Blackwood, 1989) that forms the south easternmost boundary of the Exploits Subzone. The GRUB Line is believed to be a potential conduit for deep seated fluid flow and a pathway for the transportation of gold bearing fluids. This structure is spatially associated with significant gold deposition across the belt focused in secondary and tertiary structural splays from the GRUB Line, which is hosted in the Silurian siliciclastic sediments of the Exploits Subzone. The southern end of the GRUB line offset, trends NE-SW and is mapped by the Newfoundland Geological Survey as being Cambrian to Ordovician submarine mafic to felsic volcanics. Local gabbroic sills are known to intrude all units in the area and may prove as an additional target model as some sills are locally associated with gold occurrences in the region (Evans, 1996). Northwest of the Middle Ridge Property is the Mount Peyton Intrusive Suite which is a large Siluro-Devonian batholith, a potential heat source that has intruded the Botwood, Indian Islands and Davidsville groups. There are numerous fine to medium grained intrusive gabbroic bodies related to the Mount Peyton Intrusive Suite, that intrude adjacent to the Dog Bay Line (the north westernmost extent of the Exploits Subzone).

Great Bend Property

The Great Bend Property consists of 2,052 mineral claims encompassing a land area of 513 km². The property is located 75 km southwest of the late 2019 New Found Gold Corp. gold discovery, which returned a diamond drill hole with 92.86 g/t Au over 19.0 meters near surface (See New Found Gold Corp. news dated January 28, 2020). The heart of the property can be accessed by traveling 76 km south from Bishops Falls on the Bay d'Espoir Highway.

Property Highlights

- Located within the Dunnage zone on the southwest extension of magnetic anomalies that are associated with gold mineralization on New Found Gold claims.
- The Property contains the Katie Prospect with historical drilling assays up to 10.7% Zn, 0.38% Pb, 0.196% Cu, 33.4 g/t Ag and 1.13 g/t Au over 1.26m (Alterra Resources, 2009).
- Limited historical drilling outside of the Katie Prospect on the property consisted of only 2,124m and included 0.22m at 0.6% Zn, 1.0% Pb, 0.24% Cu, and 110 g/t Au (Rio Algom Exploration Inc., 1988).
- New structural model focusing on epizonal orogenic gold provides a pathway to discovery of new gold deposits as well as expanding on historic drill intercepts.
- Exploit's inhouse desktop studies on historical geologic and geophysical data in the area has identified secondary and tertiary structures that could potentially host higher gold mineralization than previously discovered on the property.

2020 Exploration Activities

No exploration was conducted at the Great Bend Property in Q2. Expansion of the VTEM airborne geophysical survey flown across the company's other projects has been planned to commence in Q3.

Geology & Structure

The Great Bend property is situated within the Dunnage Zone and encompasses (from west to east), the Newfoundland Geological Survey mapped Coy Pond Complex (CPC), Baie d'Espoir Group (BDG), and the Davidsville Group. Lithological units are diverse across the property and consist of Cambrian to Ordovician ophiolitic ultramafics (CPC), Ordovician felsic to intermediate island-arc volcanics and siliciclastic sediments (BDG), as well as Davidsville Group Ordovician marine siliciclastic sediments. The southwest property margin contains the northeast edge of the Early Ordovician Partridgeberry Hills granite which truncates the ophiolite and siliciclastic packages.

Structurally, the property is bound to the west by the NE-SW trending Dog Bay Line, a significant suture formed by the closing of the Iapetus Ocean, and to the east by the Gander River Ultramafic Group (GRUB) line, a major thrust fault consisting of discontinuous ophiolites. Both structures are remnants of major tectonic events and have deep seated mantle tapping potential. Within this structural domain, the parallel trending Appleton and Jonathans Pond linears, highlighted by New Found Gold to host significant mineralization (NFG, 2020), could potentially continue onto the property.

Geological and structural complexity convene on the property, increasing the opportunity for gold mineralization, although the property remains underexplored. Historic drilling is mostly within the Katie Prospect with other drilling on the property limited and constrained to two drilling campaigns with 14 holes in the BDG area and 5 holes in the CPC region of the property. The Katie Prospect drilling defined a Volcanogenic Massive Sulphide (VMS) target with results up to 10.7% Zn, 0.38% Pb, 0.196% Cu, 33.4 g/t Ag and 1.13 g/t Au over 1.26m (Alterra Resources, 2009). The best results to date outside of the Katie Prospect were in felsic volcanics of the BDG which includes 0.22m at 0.6% Zn, 1.0% Pb, 0.24% Cu, and 110 g/t Au (Rio Algom Exploration Inc., 1988). Nearby drilling on mineral claims surrounded by the property has proven the area has significant mineralization hosting up to 0.67 g/t Au over 103.35m and 2.21 g/t Au over 35.0m within an Indicated and Inferred resource estimation of 75,600 and 488,800 ounces respectively at a cut-off of 0.30 g/t Au (Paragon Minerals, 2007 & 2010). Across the drill programs, several deposit types have been highlighted to occur in the area, including VMS (Gallery Resources, 2003) and porphyry gold (Paragon Minerals, 2009). The Davidsville group portion of the property has not been drilled and contains the southern portions of the Dog Bay Line, Appleton, and Joe Batts Pond (JBP) Fault Zones which have the potential to contain structurally hosted, orogenic gold, similar to New Found Gold's discovery.

True Grit Property

The True Grit property consists of 1,030 mineral claims covering approximately 257 km² (25,700 Ha). The property is accessible by traveling north from the town of Bay d'Espoir on the Bay d'Espoir Highway for 12 km where the highway transects the property. A 3-phase powerline runs 350 meters to the south of the property.

Property Highlights

- The True Grit Gold property hosts diamond drilling intercepts of up to 117 m of 0.60 g/t Au, incl 26 m of 0.83 g/t Au from surface (Moydow Mines, 2002), channel samples of 15.6 g/t Au over 1.0 m (Teck, 1990) and grab samples of 30.2 g/t Au (Teck, 1990). The property hosts a coincident Au-Sb-As soil anomaly to the northeast which measures over 2.6 Km by 0.80 Km that is untested.
- The True Grit project encompasses the southernmost portion of the Gander River Ultramafic Belt (GRUB) line offset, which is the easternmost bounding structure of the Exploits Subzone (a geological subzone formed as a result of the closing of the Iapetus Ocean).
- The GRUB regional thrust fault offset structure is a conduit, and a focus of deep mantle fluids which is believed to be spatially associated with significant gold mineralization in the region.
- New structural model focusing on epizonal orogenic gold within the secondary and tertiary structures stemming along the GRUB line provides a pathway to discovery for new gold deposits and reinterpretations of historically conducted work.

Exploration Activities

Exploration at the True Grit Property was conducted in February and early March. Exploration consisted of the completion of the VTEM airborne geophysical survey, conducted by Geotech Ltd., which began in Q1. 2,830 total line kilometres were flown to complete the survey with results being processed by Geotech and expected to be received in Q3. Exploits' in house team along with the company's partner GoldSpot Discoveries Corp., have begun interpreting preliminary data to develop follow up field work on the project.

Geology & Structure

The project lies within the Exploits Sub Zone which is underlain by siliciclastic rocks of the St. Joseph's Cove Group. The St. Joseph's Cove Formation is comprised of siltstone, pelite, sandstone and conglomerate with minor quartz sericite schists thought to represent altered felsic tuffs. Historical till surveys resulted in numerous high gold grain counts (Pickett, 1990) which led to the discovery by Teck Resources of the two True Grit mineralized zones.

The True Grit #1 showing is a 2 m wide zone of quartz-chlorite veining in rusty sericitic and chloritic siltstone with up to 5% disseminated arsenopyrite and minor pyrite. The mineralization appears to exploit brittle fractures in the centre of a small antiformal fold within siltstone. The average grade of channel sampling within the zone is 7.3 g/t Au over 0.69 m over a strike length of approximately 8 m. The highest-grade channel sample was 15.6 g/t Au over 1 m from the northern portion of the zone. Grab samples up to 30.2 g/t Au were reported (Pickett, 1990). The showing also lies within a 2.6 km long by 0.8 km wide coincident Au-As-Sb- in-soil anomaly.

The True Grit #2 showing occurs 1.2 km to the south of the True Grit #1 showing. Trenching by Teck Resources in 1990 exposed a 50 m wide by 175 m long zone of gold mineralization grading up to 0.48 g/t Au over 47 m in altered pelites/metaturbidites, with 1-3% disseminated pyrite-pyrrhotite-arsenopyrite and, locally, numerous narrow quartz veinlets. Assay results include 9.8 g/t Au over 1 m, 18 g/t Au over 0.5 m and 6.5 g/t Au over 0.5 m. A grab sample of the arsenopyrite bearing quartz vein assayed 9.6 g/t Au. In 2002, Cornerstone joint ventured the property to Moydow Mines International who carried out several phases of drilling in 2003/2004. The best intersection was obtained in hole TG4, which returned 0.60 g/t Au over 117 m including a 26 m wide section grading 0.83 g/t Au. Intersections ranging from 16 to 46 m wide with grades of 0.45 to 0.75 g/t Au were encountered in holes TG3, 11, 12, 22 and 23. An area of approximately 700 m by 200 m, was drill tested to depths of between 120 and 35 m vertically. Portions of the drilled area have steep isoclinal folding accompanied by arsenopyrite mineralization. True Grit #2 also occurs within the same 2.6 km by 0.8 km gold-arsenic-antimony soil geochemical anomaly which hosts True Grit #1. Results of the drilling were interpreted to show that there are

broad swathes of 0.5 g/t Au material in essentially stratabound packets with a predominantly east or southerly dip. Recommendations by Cornerstone for future work in the area included geochemical and ground/airborne geophysical programs to better define drill targets. The mineralization in the True Grit area is known to be associated with coincident gold-arsenic-antimony in soil anomalies and geophysics may help identify any structural features that may host or control mineralization. Follow-up work also needs to be done in order to source the highly anomalous concentrations of gold.

Mount Peyton Property

The Mount Peyton property consists of 1,526 mineral claims and encompass a land area of 382 km². The properties are located along the northwest trending Mt. Peyton structural lineament within the Mt. Peyton Intrusive Suite and are accessible by traveling west on the Trans Canada Highway for 15 km from Glenwood where the Mt. Peyton property is transected by the highway.

Property Highlights

- Includes the Schooner Fault Zone Prospect, which is a secondary geological structure, striking parallel to the gold bearing Appleton Fault which hosts New Found Gold Corp's Keats Zone, and coincident historic gold in till samples. Currently, the Schooner prospect is permitted for 13 drill holes.
- Rock samples on the property from angular quartz arsenopyrite breccia bearing float boulders returned values of up to 44.0 g/t Au.
- Base metal bearing quartz vein float from the eastern shore of Shirley Lake Assayed 25.0 g/t Au.
- Altered gabbro float from the southern shore of Shirley Lake assayed 1.88 g/t Au.
- Shirley lake hosts a highly elevated lake sediment sample of 1,010 ppm As.
- An IP/Resistivity survey conducted in 2005 outlined a zone of high resistivity that trends in an east-west direction, coincident with the magnetic high. The geophysical survey provides evidence that the source of the highly altered, auriferous gabbro boulders may be on the property.
- The Company is compiling historic data and has applied for sampling and trenching permits to test historical defined conductors where we see the opportunity to quickly advance to drill testing.
- The project contains high priority exploration targets and is fully permitted for mechanical trenching, geochemical sampling, and geophysical surveys.

Exploration Activities

Exploration at the Mt. Peyton Property consisted of a VTEM airborne geophysical survey across the project, with ground geophysics and soil sample grids focused on the Schooner Fault Zone prospect, south of the town of Glenwood. The airborne VTEM survey was conducted by Geotech Ltd. with 2,185 line kilometres of flying planned at 100 metre spaced lines. The survey neared completion by the end of Q2, with the remaining lines to be completed early Q3. Two ground based magnetic geophysical surveys were completed to delineate the structural components of the target area. The surveys consisted of approximately 110 line kilometres over an area of 6 square kilometres. Two soil grids were completed over the same area as the ground magnetic survey, comprising of 106 samples taken. The airborne and ground geophysics paired with soil geochemical data will be paramount in preparation for the inaugural drill campaign beginning early Q3.

Geology & Structure

The property is located within the Exploits Subzone of the Dunnage zone, which is dominantly underlain by Newfoundland Geological Survey mapped Silurian to Devonian Mt. Peyton Intrusive Suite rocks, and lesser Late Ordovician to Silurian siliciclastic sediments of the Badger and Botwood groups localized to the northern extent of the properties. The Mount Peyton Suite is predominantly gabbro, crosscut by granitic, aplitic, and tonalitic dykes.

From 1988 to 1991, Noranda, as a result of the 1988 Government Lake sediment sample release, initiated a reconnaissance prospecting and regional till and lake/stream sampling program in the Mt. Peyton area. Initial discoveries of auriferous frost-heaved bedrock showings were made, with assays of up to 25.8 g/t Au, 15.7 g/t Au and 7.6 oz/ton Ag (Tallman, 1990). Detailed exploration (geophysics, trenching and diamond drilling) in 1990 led to the discovery of the Hurricane prospect (drilling of 2m near surface of 6.0 g/t Au, grab samples of 15.6 g/t and 7.6 Oz/t Ag) and Corsair prospect (drilling of 1m near

surface of 3.6 g/t Au), along with the initial recognition of the Peyton Trend. Other showings discovered at this time include the Apache/Comanche (1.3 g/t Au in outcrop grab sample) and Sabre showings (2.1 g/t Au, 47.0 Oz/t Ag in outcrop grab sample) (Tallman, 1991).

From 2002-2003, Rubicon Minerals completed a limited prospecting and reconnaissance soil sampling program, as well as an IP/resistivity and magnetic/VLF-EM survey over the Shirley lake area. As a result, grab sampling returned values of 17.0 g/t and 18.9 g/t Au from angular float boulders. The "SS" showing was located 2.5 km north of Shirley Lake returning values of 1.0 g/t Au and 1.26 g/t Au. The IP/resistivity survey outlined a prominent east-west conductor and the magnetic/VLF-EM survey identified an area of higher relief in the northwestern portion of the property (MacVeigh, 2005). These geophysical signatures were overlain by angular gold bearing float samples and provides potential evidence that the bedrock source is proximal. These targets remain untested by drilling.

During the summer of 2020, the Company's Qualified Person visited the property taking three samples on historically known anomalies, which yielded values of up to 4.10 g/t Au. The property hosts limited bedrock exposure and the sampling represents only a small portion of the interpreted 15 km long Mt. Peyton Linear.

The only drilling done on the Mt. Peyton property area to date was in the southernmost area (Hurricane and Corsair prospects). The Mt. Peyton property hosts one of the highest recorded lake sediment samples on the island and consists of 15 km of undrilled exploration targets. Follow-up work in the form of bedrock trenching is recommended in order to properly delineate the mineralization in the Shirley Lake area.

Gazeebow Property

The Gazeebow Property consists of 347 mineral claims encompassing a land area of 87 km², which contains a significant but untested gold occurrence as well as prominent secondary structures trending sub-parallel to the Gander River Ultramafic Belt (GRUB). The Property is 35 km northeast of the late 2019 New Found Gold Corp. gold discovery, which returned a diamond drill hole with 92.86 g/t Au over 19.0 meters near surface (See New Found Gold Corp. news dated January 28, 2020), and is underlain by the same package of siliciclastic rocks as the discovery host.

Property Highlights

- The Property hosts the Georges Point gold showing which is a 3 meter wide quartz vein that was traced for 250 meters with values of 0.96 g/t Au (Mineral Inventory # 002E/01/Au 003).
- The Property is bounded to the east by the Gander River Ultramafic ophiolite sequence, which is believed to be a major conduit for mobilization of metals in the area, and contains several sub-parallel secondary structures providing void spaces for gold mineralization to occur.
- Compilation of historic data has provided the company with priority targets for further sampling and trenching on the significantly underexplored property.

Geology & Structure

The Gazeebow Property is located within the Exploits Subzone of the Dunnage Zone, laying 1.5 kilometers west of the Gander River Ultramafic Belt (GRUB) fault, which is the tectonic boundary between the Dunnage and Gander zones, and east of the Dog Bay Line fault (DBL). Both the GRUB and the DBL are major thrust faults formed during the closing of the Iapetus ocean, signifying both are deep seated, mantle tapping structures with potential to facilitate gold bearing fluid flow into proximal secondary and tertiary structures on the property.

The property's regional geology was mapped by the Geological Survey of Newfoundland as being early to late Ordovician siliciclastic marine sediments of the Davidsville Group. Conglomerate, siltstone, shale, and sandstone make up the local lithologies on the property (Newfoundland Resources and Mining Company Ltd., 1988) which are found to be isoclinally folded. Regional airborne magnetic surveys indicate a NE-SW trend to the stratigraphy, illustrated by prominent low magnetic signatures, and indicate a potential continuation of the lithology and structures found at New Found Gold Corp.'s Queensway's discovery up into the Gazeebow property.

The spatial relationship between the Davidsville sediments, the GRUB line, and secondary faults and folding on the property display a resemblance to the geologic makeup to the New Found Gold's discovery, which makes the underexplored Gazebow property a prospective area for orogenic style gold mineralization.

Dog Bay Property

The Dog Bay property consists of 1,518 mineral claims totaling 380 km² located on the Port Albert Peninsula, Dog Bay, Newfoundland. Exploits' in-house team along with their partner, GoldSpot Discoveries, completed compilation and analysis of historic geophysical surveys to aid in targeting for follow up field work to be completed in 2021.

Property Highlights

- Located within the Exploits Subzone in prospective siliciclastic sediments and along the northern extent of the Dog Bay Line and Appleton Linear Fault zones, which are associated with gold mineralization in the area.
- Contains the Little Joanna Prospect with visible gold in outcrop, returning assays between 118 and 194 g/t Au. The Little Joanna Prospect is currently permitted for 9 drill holes.
- Contains the Quinlan Vein Prospect with visible gold in outcrop, returning assays of up to 61.3 g/t Au. Currently permitted for 9 drill holes to commence in summer, 2021.
- New structural model focusing on structurally hosted, epizonal orogenic gold provides a pathway to discovery for new gold deposits on the properties.
- Exploits will work to verify existing data and expand on these known gold showings to develop a clear exploration plan immediately.

Exploration Activities

Exploration across the Dog Bay Property consisted of a VTEM airborne geophysical across the property and two ground magnetic geophysical surveys focusing on the Quinlan Vein and Little Joanna prospects. The airborne VTEM survey was conducted by Geotech Ltd. with 3,173 line kilometres of flying planned at 100 to 150 metre spaced lines, with results being processed by Geotech and expected to be received in Q3. One ground magnetic geophysical survey was conducted at the Quinlan Vein prospect, following up on sample results taken in late 2020. This grid covered an area of 4 square kilometres and comprised of approximately 80 line kilometres walked at 50 metre line spacings. A second ground magnetic geophysical survey was completed at the Little Joanna prospect, also following up on late 2020 outcrop sampling results. The grid covered an area of 5 square kilometres, consisting of approximately 85 line kilometres walked at 50 metre line spacings. The addition of high resolution airborne and ground geophysics in addition to the outcrop sample results will aid in drill targeting for the inaugural drill campaign scheduled for Q3, 2021.

Geology & Structure

The property is situated within the Exploits Subzone and encompass (from east to west) the Newfoundland Geological Survey mapped Main Point Formation, Indian Islands Group, Duder Group, and Badger Group. Lithological units and age ranges are consistent across the formation and groups and includes Ordovician to Silurian, marine and non-marine siliciclastic sediments, striking in a general NE-SW direction. Within the Duder Group, a unit of melange was mapped, striking parallel to the overall stratigraphy.

Structurally, the property straddles the northern extent of the NE-SW trending Dog Bay Line and Appleton Linear fault zones. The Dog Bay Line is a significant suture formed by the closing of the Iapetus Ocean and has implications of deep-seated mantle tapping potential. The Appleton Linear is interpreted to be a sub-parallel, secondary structure to the Dog Bay Line, formed by the aforementioned major tectonic thrusting. The Appleton Linear was highlighted by New Found Gold Corp. to host significant mineralization (NFGC, 2020) and has been interpreted to continue onto the property along strike to the northeast.

Major structural domains coupled with brittle siliciclastic sedimentary rocks, which are covered by the property, increase the opportunity for epizonal, orogenic gold mineralization to occur. Historic drilling on the property is limited and constrained to 20 shallow (maximum length of 115m) diamond drilled holes totaling 1,559m. Results were positive with intercepts up to 10.22 g/t Au over 3.35m. The drill holes followed up on channel sampling within trenches that returned assays up to 48.22

g/t Au over 0.80m and including 15.25 g/t over 3.00m and 9.41 g/t Au over 4.25m (Crosshair Exploration and Mining Corp., 2002-2005). Recent prospecting and soil sampling in the area, following up on work done by Noranda in the late 1980's, led to discovery of a 233 g/t Au in quartz veined sediment subcrop as well as soils up to 624 ppb Au, indicating up to 4km of untested potential strike length of gold mineralization trending in the NE-SW direction displayed by the regional structures. Samples have also returned anomalous arsenic and antimony, which are indicative of epizonal, orogenic style mineralization.

Jonathan's Pond Property

The Jonathan's Pond property is located 25 kilometers west and northeast respectively of New Found Gold's Queensway Discovery. The project is easily accessible via the Trans Canada Highway and consists of 172 mineral claims encompassing a land area totaling 43 km² in the Exploits Subzone Camp.

Property Highlights

- An approximately 2 kilometre long demagnetized fault zone was highlighted through field mapping, airborne, and high resolution ground geophysical surveys, which coincide with historic, highly anomalous, gold in till samples.
- Currently permitted for 12 drill holes, scheduled to commence summer, 2021.
- The Jonathan's Pond project hosts visible gold bearing quartz veins up to 3m wide, with a current strike length of 250 m, open in all directions with grab samples from outcrop of up to 28.82 g/t Au.
- Through Spatiotemporal Geochemical Hydrocarbon (SGH) soil sampling, an additional 300 metres of strike was highlighted along the JP Vein for exploration.
- The project contains high priority exploration targets and is fully permitted for mechanical trenching, geochemical sampling, and geophysical surveys.

Exploration Activities

Exploration at Jonathan's Pond consisted of a VTEM airborne geophysical survey, a ground magnetic geophysical survey, and a soil sampling grid. The airborne VTEM survey was conducted by Geotech Ltd. with 674 line kilometres of flying planned at 75 metre spaced lines, with results being processed by Geotech and expected to be received in Q3. One ground magnetic survey was conducted to provide higher resolution data over a highlighted "demagnetized" fault zone seen in the preliminary airborne geophysical results, as well as historically sampled gold in till results. The ground magnetic geophysical grid covered an area of 4.5 square kilometres and consisted of approximately 85 line kilometres walked at 50 metre line spacings. A small soil sample grid was completed over the demagnetized fault zone, which comprised of 44 samples taken. The addition of the airborne VTEM and high-resolution ground magnetic geophysical survey data will provide high priority drill targets for the inaugural drill campaign scheduled for Q3, 2021.

Geology & Structure

The Jonathan's Pond project is situated around the Gander River Ultramafic Belt (GRUB) fault zone, a regional scale trans-compressional thrust fault marked by a discontinuous belt of ophiolitic rocks that forms the easternmost boundary of the Exploits Subzone (O'Neil and Blackwood, 1989). The fault zone was created by extensive, crustal scale thrusting during the closing of the Iapetus Ocean, signifying a potential deep seated, mantle tapping conduit for gold bearing fluid to migrate up and into proximal secondary and tertiary structures on the property.

The property geology was mapped by the Newfoundland Geological Survey as being Late Cambrian to Middle Ordovician ophiolites associated with the GRUB on the eastern half of the property, and Ordovician siliciclastic marine rocks of the Davidsville Group in the Exploits Subzone to the west. The contact between the two groups trending north-northeast through the center of the property, which is highlighted by airborne magnetics (Fugro, 2003).

A major structural domain coupled with contrasting brittle siliciclastic sedimentary rocks and ductile mafic to ultramafic plutonic rocks of an ophiolite sequence on the property create an increased opportunity for structurally hosted, epizonal, orogenic gold mineralization to occur.

Historical trenching by local prospectors in 2004 has uncovered northeast trending visible gold bearing quartz veins up to 3m

wide. Work by the Company's geologists have expanded the strike length of this quartz veining system to over 450m to date and remains open along trend. Grab samples from outcrop taken by the Company in 2020 within the trench assayed up to 27.96 g/t Au. Additional outcropping quartz veins, striking parallel to the aforementioned veining 1.2 km away on the claims, returned assays of up to 28.82 g/t Au. The Company is focused on identifying and quantifying additional gold mineralization in the hanging wall and footwall of this gold bearing structure.

From 2003 to 2005, Rubicon conducted a sparse soil sampling and grab sample program. Results displayed anomalous gold and arsenic in soils that trace the veins and provides evidence for multiple vein sets, with potential to continue in strike for greater than an additional 350m. Additionally, Rubicon assayed a float grab sample that returned 50 g/t Au, and three trenches exposed quartz veins in altered gabbro which returned grab sample values of up to 2.8 g/t Au.

Exploits Discovery/Crest Resources Staking Syndicate

The Crest/Exploits staking syndicate is a 50/50 per-cent Syndicate agreement where Crest has provided the Geological Intellectual Property for the staking thesis, and Exploits has funded the staking expenses. Exploits will receive the first 1.2 times cost return on investment and further benefit will be divided on a 50/50 per-cent basis.

The syndicate has staked 4 properties for a total of ~3,517 km² (351,700Ha) all within the Exploits Subzone. The Properties have been extensively mapped however remain widely underexplored due to most of the historical exploration being carried out on and proximal to existing road networks. The properties consist of the PB Hill Property, ~1,986 km² (198,600Ha), the Springdale East Property, ~335 km² (33,500Ha), the Springdale West Property, ~512 km² (51,200Ha), and the South Twin Lake Property, ~684 km² (68,400 Ha).

Business Risks

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

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

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

Competition

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

Price Volatility and Lack of Active Market

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

Key Executives

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

Potential Conflicts of Interest

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

Dividends

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

Nature of the Securities

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

Comparative Properties

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

Off-Balance Sheet Transactions

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

Proposed Transactions

None.

Outlook

The Company is presently in the planning stages of exploring its Newfoundland properties in the Exploits Subzone, specifically planning exploration programs utilizing soil sampling, rock sampling, trenching and channel sampling,

airborne and ground geophysics, and regional anomaly identification.

Qualified Person

The disclosures contained in this MD&A regarding the Company's exploration and evaluation activities have been prepared by, or under the supervision of, Ian Herbranson, P.Geo., a Qualified Person for the purposes of National Instrument 43-101.

Approval

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

Other Information

Additional information related to the Company and risk factors is available for viewing on SEDAR at www.sedar.com.

Change in Accounting Policy

Mineral properties exploration and evaluation

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

The accounting policies in note 3 to the audited consolidated financial statements for the year ended October 31, 2020 have been applied in these condensed consolidated interim financial statements for period ended April 30, 2021, the comparative information for the period ended April 30, 2020. The change in accounting policy has no impact on the opening statement of financial position as of November 1, 2018.

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

Statement of Financial Position as at April 30, 2020

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

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

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

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

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

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

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

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