

# **EXPLOITS DISCOVERY CORP.**

(the “Company” or “Exploits”)

**Form 51-102F1**

## **MANAGEMENT’S DISCUSSION and ANALYSIS FOR THE SIX MONTHS ENDED April 30, 2022**

The following Management’s Discussion and Analysis (“MD&A”) supplements, but does not form part of, the unaudited financial statements of the Company and the notes thereto for the six months ended April 30, 2022 and 2021 (the “Financial Statements”). Consequently, the following discussion and analysis of the results of operations and financial condition of Exploits should be read in conjunction with the Financial Statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are stated in Canadian dollars unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance. This MD&A has been prepared based on information known to management as of June 28, 2022.

### **Forward-Looking Statements**

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

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

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

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

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

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

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

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

## Description of Business

Exploits Discovery Corp. (formerly Mariner Resources Corp.) was incorporated under the *Business Corporations Act* (British Columbia) on May 28, 2018. The Company's head office is at 595 Burrard St., Suite 3043, Vancouver, BC, V7X 1J1. The Company is focused on evaluating, acquiring, and exploring mineral properties with significant potential for advancement from discovery through to production, in Canada and abroad. On May 30, 2019, the common shares of the Company were listed on the Canadian Securities Exchange (the "Exchange" or "CSE") and trade under the trading symbol "NFLD".

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

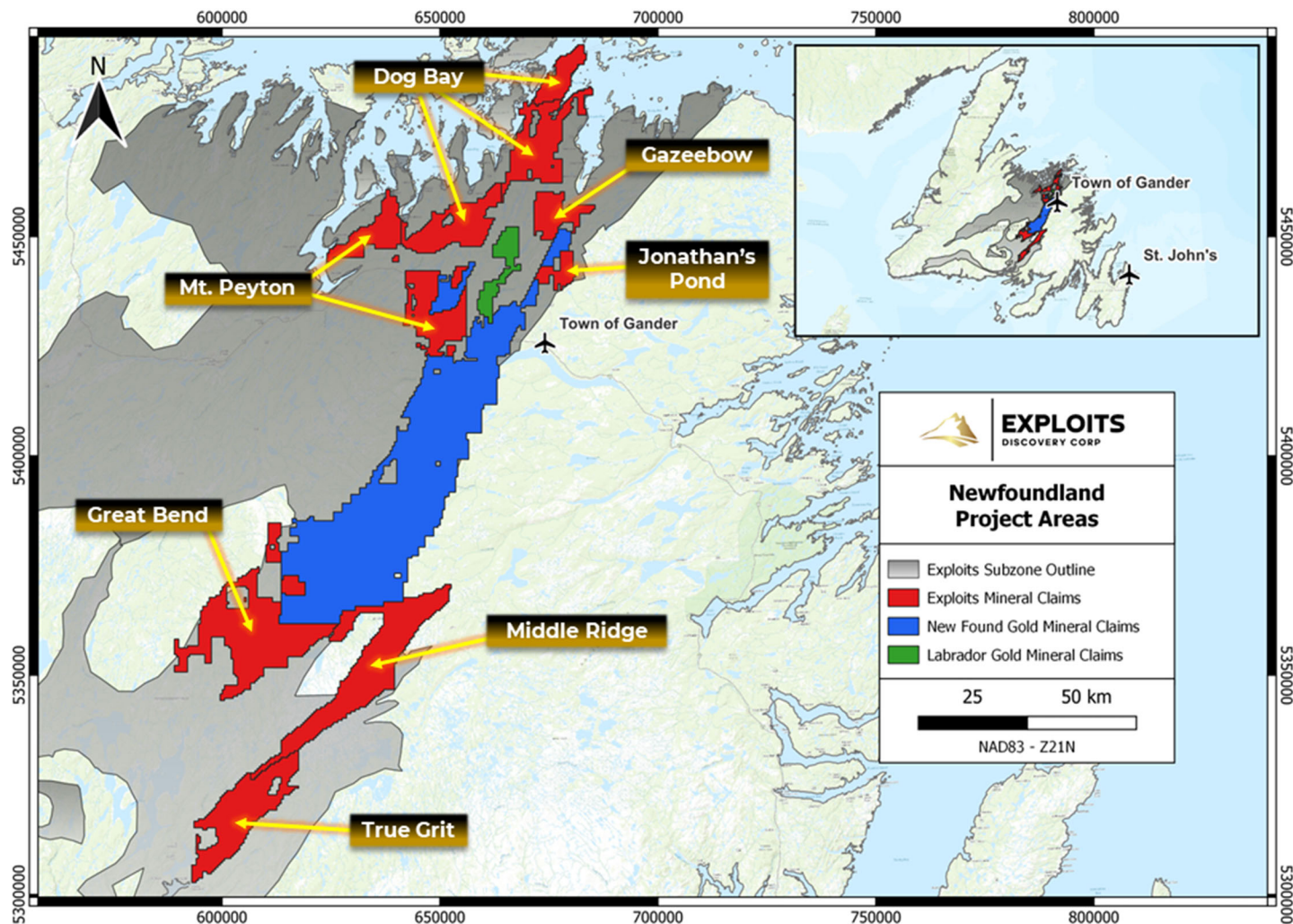


Figure 1: Exploits Discover Corp. mineral claims overview. Claims are located within the prospective Exploits Subzone throughout central Newfoundland; (Exploits Subzone Outline modified from C.G Squires 2005 and Newfoundland Geologic Survey regional detailed geology).

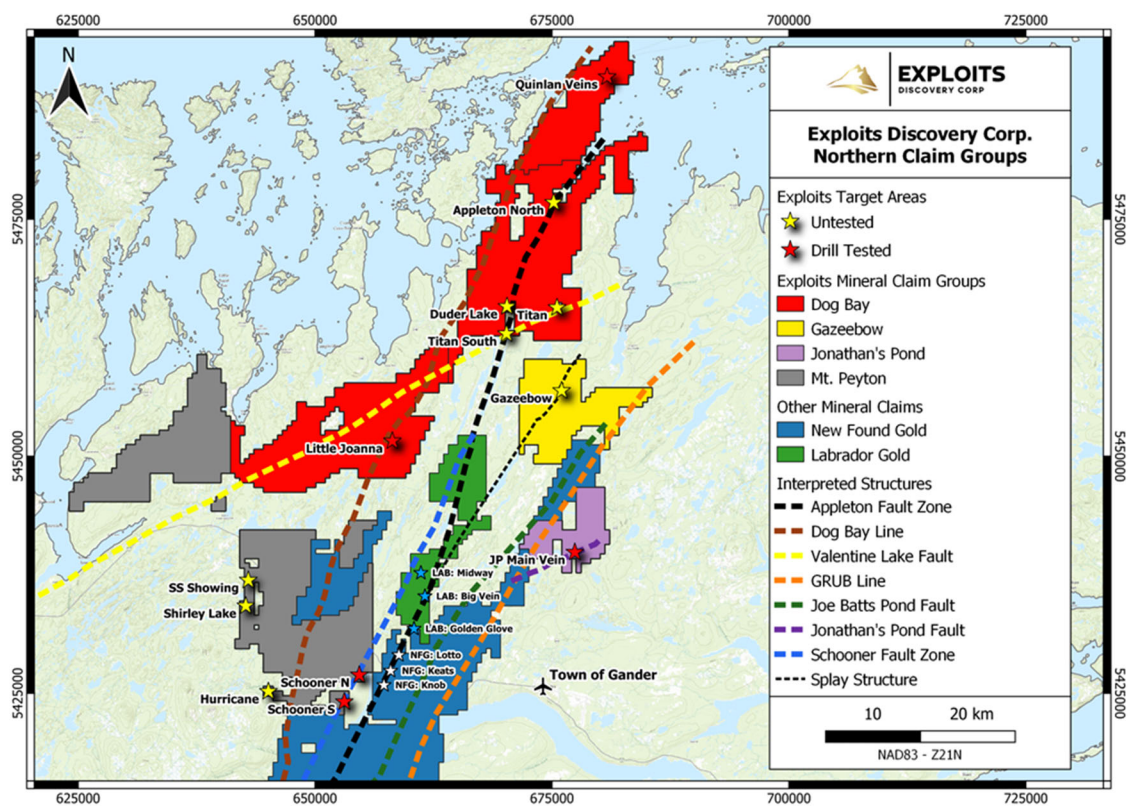


Figure 2: Exploits Discovery Corp. northern mineral claim areas and prospects located in central Newfoundland.

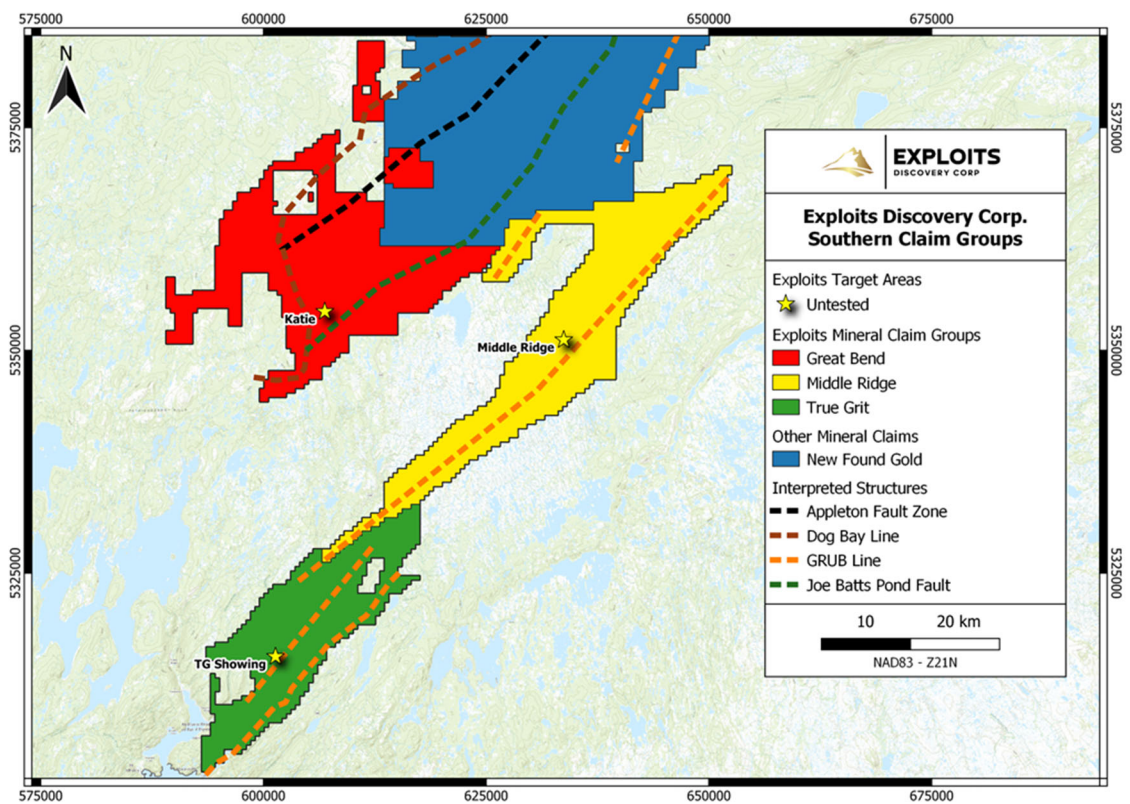


Figure 3: Exploits Discovery Corp. southern mineral claim areas and prospects located in central Newfoundland.

### Acquisition of Exploits Gold Corp.

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

### **Property Acquisitions**

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

#### Middle Ridge & True Grit 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 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 July 31, 2020, the Company acquired a 100% interest in an additional 466 claims in Middle Ridge and 558 claims in True Grit, expanding its Middle Ridge Property to 1,024 claims and True Grit Property to 1,080 claims, 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.

On August 14, 2020, the Company acquired a 100% interest in an additional 370 mineral claims, expanding its True Grit Property to 1,542 claims by issuing 281,081 common shares of the Company (recorded at a fair value of \$168,648, or \$0.60 per share).

#### 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 an additional 277 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 to 1,949 claims, by issuing 103,316 common shares of the Company (recorded at a fair value of \$61,990, 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 6<sup>th</sup> through 20<sup>th</sup> anniversary of signing the agreement. The Property consisted of 51 mineral claims and is located in Central Newfoundland.

On August 14, 2020, the Company acquired a 100% interest in an additional 664 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 4 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.

In May 2021, the Company entered into a mineral property purchase agreement with Crest to acquire the Gazeebow North property. In connection with this proposed acquisition, the Company advanced \$200,000 as consideration towards the purchase price, however in June 2021, the agreement was terminated and Crest repaid \$100,000. The remaining \$100,000 is included in receivables due from Crest.

#### 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 1<sup>st</sup> anniversary (issued with a fair value of \$276,000); and
- \$50,000 cash and 500,000 common shares on the 2<sup>nd</sup> anniversary; and
- \$60,000 cash and 600,000 common shares on the 3<sup>rd</sup> anniversary; and
- \$70,000 cash and 1,000,000 common shares on the 4<sup>th</sup> anniversary; and
- \$10,000 in cash or common shares on the 5<sup>th</sup> to 10<sup>th</sup> anniversary; and
- \$50,000 in cash or common shares on the 11<sup>th</sup> to 20<sup>th</sup> anniversary.

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 October 2020, the Company acquired all of the issued and outstanding shares of 1255919 for 6,200,000 shares of the Company. The only asset of 1255919 was a 100% interest in certain claims that have been allocated to the Dog Bay property. The acquisition was closed with the consideration valued at \$3,534,000, which was recorded as obligation to issue shares. In November 2020, 6,200,000 shares were issued. 1255919 had no other assets or liabilities and the full amount of the consideration has been allocated to the Dog Bay property acquired.

In March 2021 the Company acquired a 100% interest in additional claims in the 'Hicks-Dog Bay' area, issuing 550,000 shares 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.

The total number of claims in the Dog Bay Property is currently 1,672.

#### Jonathan's Pond Property

In September 2020, the Company acquired Jonathan's Pond property, comprising of 172 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 45 mineral claims 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.

In a staking rush on October 20, 2020, the Company staked three mineral licences. Following a complaint made to the NL Mineral Claims Recorder, the Recorder rejected these licence applications. The Company has grieved the Mineral Claims Recorder's rejection of these licence applications under the Mineral Act. This grievance relates to only 3 of the over 7,000 claims Exploits has in its property portfolio and this grievance will be heard and adjudicated by the NL Mineral Rights Adjudication Board later in 2022.

The Company's management feel that Mineral Rights Adjudication Board will accept the grievance and rule that these mineral licences must be issued to Exploits Discovery Corp.

#### **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, 2022 | Jan 31, 2022 | Oct 31, 2021 | Jul 31, 2021 | Apr 30, 2021 | Jan 31, 2021 | Oct 31, 2020 | Jul 30, 2020 |
|---------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Revenue                               | Nil          | Nil          | Nil          | Nil          | Nil          | Nil          | Nil          | Nil          |
| Net loss (\$)                               | (1,135,109)  | (1,913,671)  | (2,817,123)  | (3,906,340)  | (1,897,716)  | (1,777,702)  | (2,464,924)  | (80,896)     |
| Basic and diluted net loss per common share | (0.01)       | (0.02)       | (0.03)       | (0.04)       | (0.03)       | (0.12)       | (0.17)       | (0.01)       |

The net loss for Q2 2022 decreased from the Q2 2021 due to the targeted awareness campaign in prior years quarter and vesting of share-based compensation expense. The Company is focused on operations in connection with its Newfoundland projects.

## Results of Operations

### The three months ended April 30, 2022

The Company incurred a net loss of \$1,135,109 for the three months ended April 30, 2022 ("Current Quarter") compared to a net loss of \$1,897,716 for the three months ended April 30, 2021 ("Prior Quarter"), a difference of \$762,607, primarily related to the Company's decrease in investor relations expenses and vesting of share-based compensation expense. The Company is focused on operations in connection with its Newfoundland projects. Specific variances include:

- Share based compensation, a non-cash expense was \$195,398 in the Current Quarter compared to \$534,000 in Prior Quarter, due to options vesting;
- Mineral and Property Evaluation expenses decreased by \$256,839 in the Current Quarter (\$420,728 when compared to Prior Quarter \$677,567). The decrease is due to the Company's exploration activities in the Exploits Subzone in Newfoundland;
- Investor relations expense decreased by \$586,236 in the Current Quarter, \$112,759 over prior years quarter \$698,985 due to a reduction in the Company's targeted marketing campaign;
- Management fees and wages increased by \$119,190 in the Current Quarter, \$233,571 over prior years quarter \$114,381 due to additions to the executive team and related recruitment fees.
- Fair value adjustment on investment decreased by \$291,000 due to the revaluation of investments.
- Recovery of flow through share liability premium increased by \$64,741 due to as the Company incurred certain qualifying exploration expenditures resulting in the flow through-obligation as at April 30, 2022 being reduced \$150,445.

### The six months ended April 30, 2022

The Company incurred a net loss of \$3,048,780 for the six months ended April 30, 2022 ("Current Quarter") compared to a net loss of \$3,675,418 for the six months ended April 30, 2021 ("Prior Quarter"), a difference of \$626,638, primarily related to the Company's decrease in investor relation expenses and vesting of share-based compensation expense. The Company is still focusing on operations in connection with its Newfoundland projects. Specific variances include:

- Share based compensation, a non-cash expense was \$345,761 in the Current Quarter compared to \$534,000 in Prior Quarter, due to options vesting;
- Mineral and Property Evaluation expenses decreased by \$5,236 in the Current Quarter (\$1,727,334 when compared to Prior Quarter \$1,732,570). The slight decrease is due to the Company's exploration activities in the Exploits Subzone in Newfoundland;
- Investor relations expense decreased by \$1,116,750 in the Current Quarter, \$200,153 over prior years quarter \$1,316,903 due to a targeted market campaign aimed at increasing shareholder awareness in the Company as well as the Exploits Subzone of Newfoundland in the Prior Quarter;
- Management fees and wages increased by \$173,304 in the Current Quarter, \$414,997 over prior years quarter \$241,693 due to additions to the executive team and related recruitment fees.
- Fair value adjustment on investment decreased by \$517,200 due to the revaluation of investments.
- Recovery of flow through share liability premium increased by \$209,555 due to as the Company incurred certain qualifying exploration expenditures resulting in the flow through-obligation as at April 30, 2022 being reduced \$150,445.

## 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, 2022, the Company's financial liabilities consist of its accounts payable and accrued liabilities and, which are all current obligations.

#### Foreign currency risk

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

#### Capital management

The Company monitors its equity as capital.

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

## Related party transactions

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

| For the period ended                                           | April 30, 2022    | April 30, 2021    |
|----------------------------------------------------------------|-------------------|-------------------|
| Management fees and wages paid to key management and directors | \$ 309,833        | \$ 177,000        |
| Geological consulting paid to a company with common directors  | 30,000            |                   |
|                                                                | <u>\$ 184,583</u> | <u>\$ 177,000</u> |

#### Accounts payable

As at April 30, 2022, there are \$Nil (October 31, 2021 - \$Nil) recorded in account payable and accrued liabilities owed to related parties.

## 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, 2022 was \$13,138,504.

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

## Subsequent Events

Subsequent to April 30, 2022, the Company:

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

## Outstanding Share Data

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

| Common Shares Outstanding: |              |        | 109,508,586        |
|----------------------------|--------------|--------|--------------------|
| Warrants                   | Mar 2023     | \$0.67 | 8,318,482          |
| Warrants                   | Apr 2023     | \$0.67 | 8,200,000          |
| Warrants                   | May 2023     | \$0.70 | 13,333,334         |
| Agent warrants             | Mar 2023     | \$0.67 | 130,471            |
| Agent warrants             | Dec 2023     | \$0.50 | 300,000            |
| Stock options              | Jul 2022     | \$0.59 | 740,000            |
| Stock options              | Feb 2023     | \$0.50 | 1,100,000          |
| Stock options              | Oct 2023     | \$0.57 | 2,240,000          |
| Stock options              | Feb 2024     | \$0.49 | 250,000            |
| Stock options              | May 2023     | \$1.33 | 1,775,000          |
| Stock options              | Jun 2024     | \$1.19 | 600,000            |
| Stock options              | Sep 2026     | \$0.62 | 1,000,000          |
| Stock options              | Feb 1, 2025  | \$0.45 | 275,000            |
| Stock options              | Apr 14, 2025 | \$0.35 | 500,000            |
| <b>Fully diluted</b>       |              |        | <b>148,270,873</b> |

## Securities held in escrow

Upon closing of the IPO, 2,765,000 common shares of the Company outstanding at October 31, 2018 will be subject to an Escrow Agreement. Under the Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the date the Company's common shares are listed for trading (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the Initial Release. As at April 30, 2022, 414,750 common shares remained in escrow. June 3, 2022 the remaining shares were released from escrow.

## Mineral Properties

### 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 approximately 43 km<sup>2</sup> in the Exploits Subzone Camp.

#### Property Highlights

- The Jonathan's Pond project hosts visible gold bearing quartz veins up to 3m wide with grab samples from outcrop of up to 28.82 g/t Au.
- Spatiotemporal Geochemical Hydrocarbon (SGH) soil sampling defined approximately 300 metres of additional strike-length surrounding the JP Main Vein for exploration.
- 21 drill holes were completed at the JP Main Vein (the "Main Vein") in 2021 targeting the down-dip extension of outcropping quartz veining, located adjacent to the Main Vein, which produced grab samples containing visible gold and returned fire assays of up to 28.00 g/t Au. Drilling also targeted areas displaying anomalous Au trends defined by SGH sampling. Fire assay results have been released for 16 of the 21 drill holes (Exploits news release – March. 18<sup>th</sup>, 2022).
- An approximately 2-kilometre-long demagnetized fault zone highlighted through field mapping, airborne and high-resolution ground geophysical surveys, is proximal to historic anomalous gold in till samples.
- The project contains several exploration targets and permitting is ongoing for additional prospecting and geochemical sampling for 2022.

#### Exploration Activities

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

#### 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 350m to date and remains open along trend. Grab samples from outcrop taken by the Company in 2020 within the trench at the JP Main Vein 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 are coincident with the veins and provides evidence for multiple vein sets with the potential to continue in strike length for approximately 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.

Initial interpretation of received fire assay results from Exploits' 2021 drill program at Jonathan's Pond indicates there are multiple quartz vein systems with the potential to host mineralized trends that remaining open to the east and west of the drill tested target area.

### **Mount Peyton Property**

The Mount Peyton property consists of 1,526 mineral claims encompassing a land area of approximately 382 km<sup>2</sup>. 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, identified as an interpreted secondary geological structure from airborne and ground geophysics, striking parallel to the gold bearing Appleton Fault which hosts New Found Gold Corp's Keats Zone. The interpreted Schooner Fault is also coincident with historic anomalous gold in till samples.
- 10 drill holes were completed at the Schooner North prospect and 8 drill holes were completed at the Schooner South prospect in 2021. Drilling tested the mineralization potential of the interpreted Schooner Fault, as well as interpreted dilatational zones displaying similar structural geometry to that of New Found Gold Corp's Keats Zone. Assay results are pending.
- Rock samples on the property collected 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 produced assays of up to 25.0 g/t Au.
- Altered gabbro float from the southern shore of Shirley Lake produced assays of up to 1.88 g/t Au.
- Shirley lake hosts a highly elevated lake sediment sample of 1,010 ppm As.
- The Company has completed historic data compilation analysis and permitting is underway for geochemical sampling and possible trenching to further investigate historically defined conductors.

#### **Exploration Activities**

Exploration at the Mt. Peyton Property consisted of a property wide VTEM airborne geophysical survey, local ground geophysics surveys, soil sampling grids, prospecting, and drilling. The airborne VTEM survey was conducted by Geotech Ltd. with 2,183 line kilometres of flying conducted at 100 metre spaced lines. Two ground based magnetic geophysical surveys were completed at Schooner North and South to delineate the structural components of the drilling target areas. The surveys consisted of approximately 125 line kilometres over an area of 6 square kilometres. Two soil sampling grids were completed over the same area as the ground magnetic survey, 106 samples were taken. An additional 479 soil samples were collected for Exploits at the Mt. Peyton North property during 2021. Prospecting consisted of 59 rock/float grab samples collected at the Mt. Peyton and Mt. Peyton North projects. Drilling was completed at both Schooner North and South in 2021 (10 holes at Schooner North, 8 holes at Schooner South) with assays pending.

#### **Geology & Structure**

The property is located within the Exploits Subzone which is dominantly underlain by Newfoundland Geological Survey mapped

Silurian to Devonian Mt. Peyton Intrusive Suite rocks, lesser late Ordovician to Silurian siliciclastic sediments of the Badger and Botwood groups localized to the northern extent of the properties, and Ordovician siliciclastic sediments of the Davidsville group as well as late Silurian to early Devonian siliciclastic sediments of the Ten Mile Lake formation along the southern extents of the property. 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 17.1 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 supporting evidence that the bedrock source is proximal.

The Mt. Peyton property hosts one of the highest recorded lake sediment samples on the island and consists of approximately 15 km of undrilled exploration targets.

Analysis of airborne and ground geophysics, conducted by Exploits' and GoldSpot in 2021, identified the Schooner Fault Zone as an interpreted secondary geological structure striking parallel to the gold bearing Appleton Fault which hosts New Found Gold Corp's Keats Zone. The interpreted Schooner Fault is also coincident with historic anomalous gold in till samples.

10 drill holes were completed at the Schooner North prospect and 8 drill holes were completed at the Schooner South prospect in 2021. Drilling tested the mineralization potential of the interpreted Schooner Fault, as well as interpreted dilatational zones displaying similar structural geometry to that of New Found Gold Corp's Keats Zone. Assay results are pending.

### **Dog Bay Property**

The Dog Bay property consists of 1,672 mineral claims totaling approximately 418 km<sup>2</sup> located on the Port Albert Peninsula, Dog Bay, Newfoundland. Exploits' in-house team along with their partner, GoldSpot Discoveries, completed historic data compilation and analysis of historic geophysical surveys, combined with surface sampling and ground geophysics completed for Exploits', to aid in targeting for drilling 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.
- Structural model focusing on structurally hosted epizonal orogenic gold provides a pathway to discovery for new gold deposits on the properties.
- 13 drill holes were completed in 2021 at the Quinlan Vein Prospect. Drilling targeted the down dip extension of quartz veining observed in outcrop returning assays of up to 61.3 g/t Au. Fire assays have been released for all Quinlan Veins drilling (Exploits' news release - March. 18<sup>th</sup>, 2022).
- 6 drill holes were completed in 2021 at the Little Joanna Prospect. Drilling targeted quartz veining in outcrop returning assays between 118 and 194 g/t Au. Assay results are pending.
- Exploration plans for 2022 include a large scale soil sampling program focusing on the Appleton North and Duder Lake

areas to delineate the mineralization potential along the interpreted Appleton Fault and aid in planning for potential drill targets.

#### Exploration Activities

Exploration across the Dog Bay Property consisted of a VTEM airborne geophysical survey, two local ground magnetic geophysical surveys focusing on the Quinlan Vein and Little Joanna prospects, soil sampling, prospecting, and drilling. The airborne VTEM survey was conducted by Geotech Ltd. with 3,173 line kilometres of flying planned at 100 to 150 metre spaced lines. 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 70 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. Soil sampling grids, totaling 979 samples, were conducted at the southern Dog Bay claims over interpreted structures identified from VTEM geophysical analysis. A total of 268 rock/float grab samples were also collected over the Dog Bay claim. 13 drill holes were completed at the Quinlan Veins Prospect and 6 drill holes were completed at the Little Joanna Prospect in 2021. These drill holes tested the down dip extension of quartz veining observed in outcrop. Assays for the Little Joanna drill holes are pending.

Spring 2022 Field Work: The following activities were initiated in April - May

#### High-Density Geochemical Soil Survey:

Exploits has commenced an initial high-density soils sampling program (~11,000 samples) at the Dog Bay Central claims group encompassing our new Titan South, Duder Lake, and Appleton North targets. This program is designed to cover approximately 16 kilometres of our northern extents of the prospective Appleton Fault corridor (as identified by GoldSpot Discoveries) through analysis of airborne VTEM geophysics. Sampling is conducted at 100-metre line spacing and 50-metre sample point spacing, sample density has been increased to 25-metre spacing over localized higher-priority areas of interest.

Our local exploration team has confirmed the potential for orogenic gold mineralization at these targets through historic data analysis, prospecting, modern mapping and sampling, and the 2021 airborne VTEM geophysics. Prospective areas are highlighted below. Gold assays reported grams/tonne (g/t Au), and include:

- Appleton North: Multiple historic high-grade grab samples including 233.4 g/t Au, 25.1 g/t Au, 24.2 g/t Au, 19.7 g/t Au, and 16.3 g/t Au. These sample sites are coincident with the Interpreted Appleton Fault corridor.
- Duder Lake: Multiple historic anomalous grab samples including 8.3 g/t Au, 7.6 g/t Au, 3.3 g/t Au, 2.8 g/t Au, and 2.5 g/t Au; Historic anomalous soil samples up to 2.2 g/t Au. Samples are coincident with the Interpreted Appleton Fault corridor. Historic drilling in the area, completed by other companies in the 1980-1990s, produced significant mineralized intersections including: 7.29 g/t Au over 2.55 m and 6.09 g/t Au over 3.1 m (drill hole DL96-3); 5.4 g/t Au over 5.2 m (drill hole DL96-5); 4.42 g/t Au over 3.4 m, 4.5 g/t Au over 7.8 m, and 7.01 g/t Au over 2.8 m (drill hole DL90-1); 3.46 g/t Au over 7.25 m, 4.27 g/t Au over 4.75 m, and 5.68 g/t Au over 3.35 m (drill hole DL90-6).
- Titan South: Historic Heavy Metal Concentrate (HMC) samples including 44.7 g/t Au, 5.7 g/t Au, and 3.5 g/t Au located proximal to the Appleton Fault.

By May 17th, 2022, a total of 778 samples have been collected. Our geologists remain in close contact with the sample crews to timely follow up if favourable alteration/mineralization is noted within the targeted soil horizons or bedrock indicators.

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

Alpha IP Geophysical Survey to be completed on-ground at Titan:

Exploits plans to complete a high-definition Alpha IP survey at Titan in early summer. The IP survey will cover a prospective

area of approximately 1 kilometre x 1 kilometre identified from historic surface sampling and drilling. Historic surface sampling and drilling at Titan indicates a northeast trending mineralized corridor extending over approximately 550 metres of strike length. Historic drilling and trenching indicate that mineralization is associated with altered gabbroic intrusions and localized irregular quartz veining.

Significant historic drilling intersections at Titan completed by Crosshair Exploration and Mining in 2004 – 2005 include: 6.77 g/t Au over 5 m from 18.45 – 23.70 m downhole, including 10.22 g/t Au over 3.35 m from 20.35 – 23.70 m downhole (drill hole WP-01); 3.65 g/t Au over 2.32 m from 20.91 – 23.23 m down hole, including 10.30 g/t Au over 0.53 m from 21.70 – 22.23 m downhole (WP-05); 4.45 g/t Au over 2.50 m from 18.50 – 21.00 m downhole (WP-06); 1.68 g/t Au over 11.82 m from 17.20 – 29.02 m downhole, including 6.26 g/t Au over 1.55m from 21.75 – 23.30 m downhole, including 13.76 g/t Au over 0.40 m from 22.40 – 22.80 m downhole (drill hole WP-12); 5.22 g/t Au over 1.55 m from 54.14 – 55.35 m downhole, including 10.9 g/t Au over 0.50 m from 54.15 – 54.65 m downhole (WP-18); 4.18 g/t Au over 2.00 m from 36.10 – 38.10 m downhole, including 7.06 g/t Au over 0.85 m from 36.75 – 37.60m downhole (WP-19).

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

#### VTEM Airborne Geophysical Survey:

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

#### 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 interpreted NE-SW trending Dog Bay Line and Appleton 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 Dog Bay 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.

Initial interpretation of the fire assay results from Exploits' 2021 drill program at the Quinlan Veins prospect indicates there is a potential mineralized trends which remains open to the north of the drill tested target area.

#### **True Grit Property**

The True Grit property consists of 1,542 mineral claims covering approximately 385 km<sup>2</sup>. 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 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 interpreted as 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. totaling 2,830 line kilometres. Exploits' in house team along with the company's partner GoldSpot Discoveries Corp. have interpreted preliminary data to develop follow-up field work on the project.

#### Geology & Structure

The project lays 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 historic 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 is required to delineate the source of the highly anomalous concentrations of gold.

## **Gazeebow Property**

The Gazeebow Property consists of 98 mineral claims encompassing a land area of approximately 25 km<sup>2</sup>. 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**

- Interpreted secondary structures, identified from the airborne VTEM geophysical survey conducted in 2021, trend sub-parallel to the Gander River Ultramafic Belt (GRUB) and intersect the property
- The Georges Point gold showing is located proximal to the Gazeebow property (700m north). The showing is comprised of a 3 meter wide quartz vein producing historic sample values of up to 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.

### **Exploration Activities**

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

### **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 Gazeebow property a prospective area for orogenic style gold mineralization.

## **Great Bend Property**

The Great Bend Property consists of 1,949 mineral claims encompassing a land area of approximately 487 km<sup>2</sup>. 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 1.26 m (Alterra Resources, 2009).

- Limited historical drilling outside of the Katie Prospect on the property consisted of only 2,124 m and included 0.22 m 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.

#### Exploration Activities

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

#### Geology & Structure

The Great Bend property is 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 interpreted Appleton Fault, 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 103.35 m and 2.21 g/t Au over 35.0 m 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 potential 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 interpreted Dog Bay Line, Appleton Fault, and Joe Batts Pond (JBP) Fault Zones which have the potential to contain structurally hosted, orogenic gold, similar to New Found Gold's discovery.

#### **Middle Ridge Property**

The Middle Ridge property is located in central Newfoundland and consists of 1,024 mineral claims covering encompassing approximately 256 km<sup>2</sup>. The property is accessible by traveling south from the town of Bishop's Falls on the Bay d'Espoir Highway for 75 km where the property can be accessed by a network of forest service roads.

#### Property Highlights

- The Middle Ridge project encompasses approximately 40 km of the interpreted 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 interpreted as 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.

#### Exploration Activities

Exploration at the Middle Ridge Property was conducted in February and early March 2021. Exploration consisted of the completion of the VTEM airborne geophysical survey conducted by Geotech Ltd. totaling 3,344 line kilometres. Exploits' in house team along with the company's partner GoldSpot Discoveries Corp., have interpreted preliminary data to develop follow up field work on the project.

#### Geology & Structure

The Property straddles the Gander River Ultra Mafic Belt (GRUB Line), 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).

#### **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 km<sup>2</sup> (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 km<sup>2</sup> (198,600Ha), the Springdale East Property, ~335 km<sup>2</sup> (33,500Ha), the Springdale West Property, ~512 km<sup>2</sup> (51,200Ha), and the South Twin Lake Property, ~684 km<sup>2</sup> (68,400 Ha).

The Company's mineral property expenditures by property for the period ended April 30, 2022 consists of:

| Period Ended:             | Middle Ridge | Great Bend   | True Grit     | Mt. Peyton    | Gazeebow | Dog Bay       | Jonathan's Pond | General          | Total            |
|---------------------------|--------------|--------------|---------------|---------------|----------|---------------|-----------------|------------------|------------------|
|                           | \$           | \$           | \$            | \$            | \$       | \$            | \$              | \$               | \$               |
| Airborne surveys          | -            | -            | -             | -             | -        | -             | -               | 153,857          | 153,857          |
| Fieldwork and Consumables | -            | -            | -             | 33            | -        | 1,542         | 795             | 118,998          | 121,368          |
| Geological consulting     | -            | -            | 12,600        | 18,273        | -        | 4,900         | -               | 208,643          | 244,416          |
| Geophysics                | -            | -            | -             | -             | -        | 2,420         | 5,750           | 1,106,856        | 1,115,026        |
| Rentals                   | -            | -            | -             | 75            | -        | 825           | 1,125           | 2,700            | 4,725            |
| Travel                    | -            | -            | 1,683         | 575           | -        | -             | -               | 11,888           | 14,146           |
| Wages                     | -            | 8,500        | 500           | 5,500         | -        | 15,850        | -               | 200              | 30,550           |
| Recovery                  | -            | -            | -             | -             | -        | -             | -               | (60,000)         | (60,000)         |
| <b>Total</b>              | <b>-</b>     | <b>8,500</b> | <b>14,783</b> | <b>24,456</b> | <b>-</b> | <b>25,537</b> | <b>7,670</b>    | <b>1,543,142</b> | <b>1,624,088</b> |

### *Business Risks*

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

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

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

### *Competition*

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

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

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

### *Key Executives*

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

### *Potential Conflicts of Interest*

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

### *Dividends*

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

### *Nature of the Securities*

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

### *Comparative Properties*

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

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

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

### **Critical Accounting Estimates**

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

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

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

#### *Exploration and evaluation assets*

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

#### *Share-based compensation*

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

#### *Income taxes*

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

#### **Proposed Transactions**

None.

#### **Outlook**

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

#### **Approval**

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

#### **Other Information**

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