

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Discovery Minerals LTD.

A Wyoming Corporation

429 W. Plumb Lane, Reno NV 89509

(310)822-0207

www.discoveryminerals.com

Company Email:

SIC #1000

Annual Report For the Period Ending: September 30, 2022 (the "Reporting Period")

As of September 30, 2022, the number of shares outstanding of our Common Stock was: 7,437,913,081

As of September 30, 2021, the number of shares outstanding of our Common Stock was: 7,437,913,081

As of September 30, 2020, the number of shares outstanding of our Common Stock was: 6,031,913,081

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes

Discovery Minerals Ltd. (July 19, 2012 to present)
Dhanoa Minerals Ltd. (Inception, July 11, 2005 to July 19, 2012)

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Current: Wyoming – Active
History: Incorporated as Dhanoa Minerals Ltd. in Nevada in July 11, 2005, name change to current name July 19, 2012, and redomiciled to Wyoming in June 2018.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

NONE

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

NONE

The address(es) of the issuer's principal executive office:

429 W. Plumb Lane, Reno NV 89509

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below: N/A

2) Security Information

Trading symbol:	DSCR
Exact title and class of securities outstanding:	Common Shares
CUSIP:	<u>25470V109</u>
Par or stated value:	\$0.0001
Total shares authorized:	10,000,000,000 as of date: 9/30/2022
Total shares outstanding:	7,437,913,081 as of date: 9/30/2022
Number of shares in the Public Float ² :	4,505,677,435 as of date: 9/30/2022
Total number of shareholders of record:	57 as of date: 9/30/2022

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

All additional class(es) of publicly traded securities (if any):

Trading symbol: DSCR
 Exact title and class of securities outstanding: Preferred
 CUSIP: N/A

Par or stated value: \$0.001
 Total shares authorized: 3,000,000 as of date: 9/30/2022
 Total shares outstanding: 232,752 as of date: 9/30/2022

Transfer Agent

Name: Pacific Stock Transfer Company
 Address: 6725 Via Austin Pkwy, Suite 300 Las Vegas, NV 89119
 Phone: (702) 361-3033
 Email: info@pacificstocktransfer.com

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Number of Shares outstanding as of <u>September 30, 2019</u>	<u>Opening Balance:</u> Common: <u>5,906,913,081</u> Preferred: <u>232,752</u>		*Right-click the rows below and select “Insert” to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation , shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were The shares issued at a discount to market price at the time of issuance ? (Yes/ No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

<u>07/08/2020</u>	<u>New Issuance</u>	<u>100,000,000</u>	<u>Common</u>	<u>\$0.0002</u>	<u>Yes</u>	<u>Girvan Jackson</u>	<u>Director Services</u>	<u>Restricted</u>	<u>None</u>
<u>07/08/2020</u>	<u>New Issuance</u>	<u>25,000,000</u>	<u>Common</u>	<u>\$0.0002</u>	<u>Yes</u>	<u>William McNerney</u>	<u>Director Services</u>	<u>Restricted</u>	<u>None</u>
<u>1/1/2021</u>	<u>New Issuance</u>	<u>568,000,000</u>	<u>Common</u>	<u>\$0.001</u>	<u>yes</u>	ARFS Trading LLC (Osman Yasar is control person)	<u>Note Conversion</u>	<u>Unrestricted</u>	<u>4(a)1</u>
<u>4/5/2021</u>	<u>New Issuance</u>	<u>50,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>yes</u>	Alt 5 Sigma (Brian Scott is the control person)	<u>Consulting Services</u>	<u>Restricted</u>	<u>None</u>
<u>4/15/2021</u>	<u>New Issuance</u>	<u>8,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>yes</u>	David Stanton	<u>Note Conversion</u>	<u>Restricted</u>	<u>None</u>
<u>5/27/2021</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>yes</u>	David Sinclair	<u>Note Conversion</u>	<u>Restricted</u>	<u>None</u>
<u>5/27/2021</u>	<u>New Issuance</u>	<u>60,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>yes</u>	Craig Jackson	<u>Note Conversion</u>	<u>Restricted</u>	<u>None</u>
<u>8/2/2021</u>	<u>New Issuance</u>	<u>100,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>yes</u>	Waterberg Ltd of Lancashire, UK (David Stanton is the control person)	<u>Consulting Services</u>	<u>Restricted</u>	<u>None</u>
<u>8/26/2021</u>	<u>New Issuance</u>	<u>600,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>yes</u>	Russell Smith	<u>Note Conversion</u>	<u>Restricted</u>	<u>None</u>
Shares Outstanding on <u>September 30, 2022:</u>	<u>Ending Balance:</u> Common: <u>7,437,913,081</u> Preferred: <u>232,752</u>								
Shares Outstanding on <u>September 30, 2022:</u>	<u>Ending Balance:</u> Common: <u>7,437,913,081</u> Preferred: <u>232,752</u>								

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through September 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

N/A

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
03/22/2021	\$43,200	\$43,200	\$660	On Demand	Converts at \$0.001	Edwin Winfield	Loan
03/22/2021	\$64,800	\$64,800	\$991	On Demand	Converts at \$0.001	BHP Capital (Bryan Pantofel-control person)	Loan
04/14/2021	\$35,000	\$35,000	\$513	On Demand	Converts at \$0.001	Edwin Winfield	Loan
06/11/2021	\$55,000	\$55,000	\$719	On Demand	Converts at \$0.001	Alt 5 Sigma (Brian Scott is control person)	Loan

Use the space below to provide any additional details, including footnotes to the table above:

All of the above listed notes are beyond their due dates and are due upon demand. No demand for repayment has been made formally by the note holders.

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Michael Handelman
Title: CPA (inactive)

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Relationship to Issuer: Consultant

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

N/A

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Discovery Minerals Ltd., (OTC PINKSHEETS: DSCR.PK) is an acquisition and development company that targets natural resource properties through its future subsidiaries. These properties fall within two primary channels, precious metals/mining and industrial hemp. Discovery's future subsidiaries will engage in activities that include the cultivation, product development, and distribution of industrial hemp; Gold, silver and precious metals. In addition, the Company is pursuing clean tech and alternative energy investments to be integrated into these business channels.

Operations / Activities 2021/2022 /2023

During the work season, April to November, Company personnel investigated a gold mine on the North end of the Mother Lode in California with a view to putting the previously mined leases back into production. While examining the workings and records and reports of the previous operations { which produced approximately 400,000 ounces in total dating from the late 1800s to a few years ago) the Company realized that there was a strong indication of a similar amount of gold yet to be mined. With a drilling program targeting the known reef & vein system the potential was even greater. The Company Chief of Operations, Mr. Girvan Jackson, says the orebodies would be able to produce many years of economic grade ore by using modern mining techniques and machinery such as declines to quickly access the old workings and new ore

positions. Mr. Jackson has sunk about 20 declines around the world and brought most of them to a conclusion under budget and before schedule. The Company has extended the option and pending the outcome of funding arrangements plan to commence operation by the end of the third calendar quarter of 2023. All Permits to mine and extract metals are current and only a few months will be needed to bring the operation to production status.

Joint Venture

During calendar 2019, the Company entered into a 50 / 50 joint venture with Murphy Noble Metals Inc and their major shareholders, of Boise, Idaho. The purpose of the Joint Venture was to carry out an examination of all available data on the claim block, which included the access to the Sinker Tunnel and the gold & silver extraction services of the Mill Facility located on the Silver City Road. The appropriate technical mining personnel were engaged by The Company to carry out these investigations and submit their various reports. These included two geologists, a metallurgist, a mining engineer and their support staff. A significant part of the work program carried out included the mapping, sampling and trenching of the northern section of the Oro Fino vein which yielded a favorable set of results which have already been published. Based on these results and subsequent geological evaluation, a diamond drilling program was laid out to further define the mineable ore with a view to begin surface mining in the 2020 season.

A suitable drilling contractor was located for this program late in the 2019 season but was not able ultimately, to start the drilling before the season closed due to the onset of cold weather.

After the close of the work season in 2019, Murphy Noble Metals Inc and the Company Ltd negotiated a dissolution of the Joint Venture where the Company receives a Net Smelter Return ("NSR") for ten years from the mining operations of Murphy Noble Metals Inc and any associates, on the aforementioned mining leases, patented claims and associated surrounding staked claims. At this point the Company has not been notified of any production operation or any milling activity.

Ruby Gold Mine

During the year 2021, the Company carried out their due diligence investigation on the Ruby mine as well as research on seismic survey and other methods of geophysical interpretation with our Geology team.

In October, 2021, the Company reached an Agreement in Principle with a financing group who will provide funding for the acquisition of the Ruby Gold Mine and the full development of the mining program. This Group has withdrawn their Offer of Funding and has been replaced by several other interested financial parties which will be released to shareholders when completed. These groups have expressed interest in converting some of their funding to equity during the repayment period. Discovery is currently negotiating to renew its option on the Ruby Mine and expects to complete this agreement by March 30, 2023. The latest contact by a funding group was a notice of a meeting in California in the first quarter of 2023 to finalize the terms of equity and all financial arrangements of the Project.

Zambia - These discussions are continuing.

In October 2021, the Company signed a letter of Intent with a mining group in Zambia on several orebodies. Two of these are gold mines, one is a large exploration area with a copper / gold orebody already identified and also a large supply of construction material adjacent to a major civil engineering project that is scheduled to start in the near future. Discovery will be expected to provide these materials on normal commercial terms. They will have a substantial transport advantage over any other supplier. The Company expects to complete this agreement by the end of the second quarter of 2023.

B. Please list any subsidiaries, parents, or affiliated companies.

None

C. Describe the issuers' principal products or services.

The Company's products will fall within two primary channels, precious metals/mining and industrial hemp. Discovery's future subsidiaries will engage in activities that include the cultivation, product development, and distribution of industrial hemp; Gold, silver and precious metals. In addition, the Company is pursuing clean tech and alternative energy investments to be integrated into these business channels.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company operates on a month to month lease at 429 W. Plumb Lane, Reno NV 89509.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Russell Smith</u>	<u>CEO/Director/Beneficial owner</u>	<u>429 W. Plumb Lane</u> <u>Reno, NV</u> <u>89509</u>	1,354,000,000	<u>Common</u>	<u>18.204%</u>	
William McNeerney	<u>Director</u>	<u>429 W. Plumb Lane</u>	75,000,000	<u>Common</u>	<u>1.009%</u>	

		<u>Reno, NV</u> <u>89509</u>				
Girvan Jackson	<u>Director</u>	<u>429 W. Plumb</u> <u>Lane</u> <u>Reno, NV</u> <u>89509</u>	125,000,000	<u>Common</u>	<u>1.681%</u>	

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

N/A

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

N/A

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

N/A

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

N/A

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

N/A

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Jessica M. Lockett, Esq.

Firm: Lockett + Horwitz, A Professional Law Corporation
Address 1: 2 South Point, Suite 275
Address 2: Lake Forest, CA 92630
Phone: 949-540-6540
Email: jlockett@LHlawpc.com

Accountant or Auditor

Name: Michael Handelman CPA (inactive)
Address 1: 3210 Rickey Court Thousand Oaks, CA 91362
Phone: 805-341-2631
Email: mhandelmangroup@gmail.com

Investor Relations Consultant

Name: N/A

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: N/A

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Russell Smith certify that:

1. I have reviewed this annual disclosure statement of Discovery Minerals LTD;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

January 13, 2023

/s/Russell Smith (CEO's signature)

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Russell Smith certify that:

1. I have reviewed this annual disclosure statement of Discovery Minerals LTD;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

January 13, 2022

/s/Russell Smith (CFO's signature)

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

DISCOVERY MINERALS LTD.

*Financial Statements as of September 30, 2022 and 2021 and For the Years Ended
September 30, 2022 and 2021*

DISCOVERY MINERALS LTD.

INDEX TO FINANCIAL STATEMENTS

(Unaudited)

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DISCOVERY MINERALS LTD.

Balance Sheets
September 30, 2022 and 2021
(Unaudited)

	September 30,	
	2022	2021
ASSETS		
Current Assets		
Cash	\$ 188	\$ 58,406
Prepaid expenses	-	75,015
Total Current Assets	188	133,421
Property, Plant and Equipment, net	7,500	17,500
Total Assets	<u>\$ 7,688</u>	<u>\$ 150,921</u>
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
Current Liabilities		
Notes payable-Convertible	\$ 198,000	\$ 198,000
Notes payable	366,975	366,975
Notes payable-Related party	379,656	212,856
Accounts payable and accrued expenses	14,783	68,707
Total Current Liabilities	959,414	846,538
Total Liabilities	959,414	846,538
Commitments and contingencies	-	-
Stockholders' (Deficit)		
Preferred stock-Class A, \$.001 par value, 3,000,000 shares authorized, 232,752 shares issued and outstanding at September 30, 2022 and 2021	232	232
Common stock, \$.0001 par value, 10,000,000.000 shares authorized; 7,437,913,081 issued and outstanding at September 30, 2022 and 2021	743,791	743,791
Additional paid-in capital	12,404,737	12,345,820
Accumulated (Deficit)	(14,100,486)	(13,785,460)
Total Stockholders' (Deficit)	<u>(951,726)</u>	<u>(695,617)</u>
Total Liabilities and Stockholders' (Deficit)	<u>\$ 7,688</u>	<u>\$ 150,921</u>

The accompanying footnotes are an integral part of these unaudited financial statements.

DISCOVERY MINERALS LTD.Statements of Operations
(Unaudited)

	Years Ended September 30,	
	2022	2021
Revenues	\$ -	\$ -
Total revenues	-	-
Operating Expenses		
Depreciation	10,000	2,500
Property costs	100,015	-
General and administrative	202,018	354,433
Total operating expenses	312,033	356,933
(Loss) from operations	(312,033)	(356,933)
Other (expense)		
Interest (expense)	(2,993)	(8,000)
Total other (expense)	(2,993)	(8,000)
(Loss) before income taxes	(315,026)	(364,933)
Income taxes	-	-
Net (loss)	<u>\$ (315,026)</u>	<u>\$ (364,933)</u>
(Loss) per share-Basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average shares outstanding		
Basic and diluted	<u>7,437,913,081</u>	<u>7,066,017,427</u>

The accompanying footnotes are an integral part of these unaudited financial statements.

DISCOVERY MINERALS LTD.
Statements of Cash Flows
(Unaudited)

	Years Ended September 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	\$ (315,026)	\$ (364,933)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	10,000	2,500
Stock based compensation	-	64,800
Prior period adjustment to additional paid-in capital	58,917	-
Accrual of consulting fees added to notes payable-Related parties	150,000	150,000
Changes in assets and liabilities:		
Decrease in prepaid expenses	75,015	5,985
(Decrease) in deferred revenue	-	(12,001)
(Decrease)/Increase in accounts payable and accrued expenses	(53,924)	8,000
Net cash (used) in operating activities	(75,018)	(145,649)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(20,000)
Net cash used in investing activities	-	(20,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	-	257,960
Proceeds from/(payments) on notes payable-Related parties	16,800	(36,833)
Net cash provided by financing activities	16,800	221,127
Net increase in cash	(58,218)	55,478
CASH AT BEGINNING PERIOD	58,406	2,928
CASH AT END OF PERIOD	\$ 188	\$ 58,406
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Note payable issued for services-Related party	\$ 150,000	\$ -
Common stock issued for compensation	\$ -	\$ 64,800

The accompanying footnotes are an integral part of these unaudited financial statements.

DISCOVERY MINERALS LTD.
Statements of Stockholders' (Deficit)
For the Years Ended September 30, 2022 and 2021
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated (Deficit)	Stockholders' (Deficit)
	Shares	Amount	Shares	Amount			
Balance-October 1, 2020	232,752	\$ 232	6,031,913,081	\$ 603,191	\$11,166,032	\$(13,420,527)	\$(1,651,072)
Common shares issued upon conversion of notes payable	-	-	1,256,000,000	125,600	823,180	-	948,780
Common shares issued for consulting services	-	-	150,000,000	15,000	59,000	-	74,000
Extinguish of debt discount upon adoption of ASU 2020-06	-	-	-	-	297,608	-	297,608
Net (loss) for the year ended September 30, 2021	-	-	-	-	-	(364,933)	(364,933)
Balance-September 30, 2021	232,752	232	7,437,913,081	743,791	12,345,820	(13,785,460)	(695,617)
Prior period adjustment	-	-	-	-	58,917	-	58,917
Net (loss) for the year ended September 30, 2022	-	-	-	-	-	(315,026)	(315,026)
Balance-September 30, 2022	232,752	\$ 232	7,437,913,081	\$ 743,791	\$12,404,737	\$(14,100,486)	\$(951,726)

The accompanying footnotes are an integral part of these unaudited financial statements.

DISCOVERY MINERALS LTD
Notes to Unaudited Financial Statements
September 30, 2022 and 2021

NOTE 1- Summary of History and Significant Accounting Policies

Nature of Operations

Business

Discovery Minerals Ltd is an acquisition and development company that targets natural resource properties. These properties fall within two primary channels, precious metals/mining and industrial hemp. Discovery's future activities include engagement in the cultivation, product development, and distribution of industrial hemp; Gold, silver and precious metals. In addition, the Company is pursuing clean tech and alternative energy investments to be integrated into these business channels.

Joint Venture

During calendar 2019, The Company entered into a 50 / 50 joint venture with Murphy Noble Metals Inc and their major shareholders, of Boise, Idaho. The purpose of the Joint Venture was to carry out an examination of all available data on the claim block, which included the access to the Sinker Tunnel and the gold & silver extraction services of the Mill Facility located on the Silver City Road. The appropriate technical mining personnel were engaged by The Company to carry out these investigations and submit their various reports. These included two geologists, a metallurgist, a mining engineer and their support staff.

A significant part of the work program carried out included the mapping, sampling and trenching of the northern section of the Oro Fino vein which yielded a favorable set of results which have already been published. Based on these results and subsequent geological evaluation, a diamond drilling program was laid out to further define the mineable ore with a view to begin surface mining in the 2020 season. A suitable drilling contractor was located for this program late in the 2019 season but was not able ultimately, to start the drilling before the season closed due to the onset of cold weather.

After the close of the work season in 2019, Murphy Noble Metals Inc and The Company Ltd negotiated a dissolution of the Joint Venture where The Company receives a Net Smelter Return ("NSR") from the mining operations of Murphy Noble Metals Inc and any associates, on the aforementioned mining leases, patented claims and associated surrounding staked claims.

Under the terms of the agreement between the parties, The Company was to receive the first NSR payment from operations during the third quarter of calendar 2020 and every quarter thereafter until the 10 year term of the NSR has elapsed. In the event that the properties are sold, The Company's NSR will convert to the same percentage of equity share as the NSR and be paid from the sale proceeds. To date, no payments have been received from this agreement. At this point the Company has not been notified of any Production operations on the leases nor milling activity.

Ruby Gold Mine

During the year 2021, the Company has carried out their due diligence investigation on the Ruby Gold Mine as well as research on seismic survey and other methods of geophysical interpretation with our Geology team.

In October, 2021, the Company reached an Agreement in Principle with a financing group who will provide funding for the acquisition of the Ruby Gold Mine and the full development of the mining program. This funding is being formulated at present and will be released to shareholders when completed. This group will convert some of the funding to equity during the repayment period. Discovery is currently renegotiating the option agreement and has written off all prior payments. The Company expects to have the new agreement completed by March 31,, 2023. The latest contact by this funding group was a notice of a meeting in California in the first quarter of 2023 to finalize the terms of equity and all financial arrangements of the Project.

DISCOVERY MINERALS LTD
Notes to Unaudited Financial Statements
September 30, 2022 and 2021

Zambia

In October 2021, the Company signed letter of Intent with a mining group in Zambia on several orebodies. Two of these are gold mines, one is a large exploration area with a copper / gold orebody already identified and also a large supply of construction material adjacent to a major civil engineering project that is scheduled to start in the near future. Discovery will be expected to provide these materials on normal commercial terms. They will have a substantial transport advantage over any other supplier. The Company is expecting to have a final agreement in the second quarter of 2023.

Impact of COVID-19

The ongoing COVID-19 global and national health emergency has caused significant disruption in the international and United States economies and financial markets. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The spread of COVID-19 has caused illness, quarantines, cancellation of events and travel, business and school shutdowns, reduction in business activity and financial transactions, labor shortages, supply chain interruptions and overall economic and financial market instability. The COVID-19 pandemic has the potential to significantly impact the Company's supply chain, distribution centers, or logistics and other service providers.

In addition, a severe prolonged economic downturn could result in a variety of risks to the business, including weakened demand for products and services and a decreased ability to raise additional capital when needed on acceptable terms, if at all. As the situation continues to evolve, the Company will continue to closely monitor market conditions and respond accordingly.

We have implemented adjustments to our operations designed to keep employees safe and comply with international, federal, state, and local guidelines, including those regarding social distancing. The extent to which COVID-19 may further impact the Company's business, results of operations, financial condition and cash flows will depend on future developments, which are highly uncertain and cannot be predicted with confidence. In response to COVID- 19, the United States government has passed legislation and taken other actions to provide financial relief to companies and other organizations affected by the pandemic.

The ultimate impact of the COVID-19 pandemic on the Company's operations is unknown and will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the COVID-19 outbreak, new information which may emerge concerning the severity of the COVID-19 pandemic, and any additional preventative and protective actions that governments, or the Company, may direct, which may result in an extended period of continued business disruption, reduced customer traffic and reduced operations.

Any resulting financial impact cannot be reasonably estimated at this time but is anticipated to have a material adverse impact on our business, financial condition, and results of operations.

To date, the Company has not experienced any significant economic impact due to COVID- 19.

Basis of Presentation

The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America.

The Company consolidates any subsidiaries in accordance with ASC 810, and specifically ASC 810-10-15-8 which states, "[t]he usual condition for a controlling financial interest is ownership of a majority voting interest, and, therefore, as a general rule ownership by one reporting entity, directly or indirectly, or over 50% of the outstanding voting shares of another entity is a condition pointing toward consolidation." All inter-company transactions have been eliminated during consolidation.

DISCOVERY MINERALS LTD
Notes to Unaudited Financial Statements
September 30, 2022 and 2021

Business Segments

The Company uses the “management approach” to identify its reportable segments. The management approach requires companies to report segment financial information consistent with information used by management for making operating decisions and assessing performance as the basis for identifying the Company’s reportable segments. Management has determined that the Company has one operating segment.

Risks and Uncertainties

The Company operates in an industry that is subject to intense competition and change in consumer demand. The Company’s operations are subject to significant risk and uncertainties including financial and operational risks including the potential risk of business failure.

Concentration of Risk

The Company places its cash and temporary cash investments with established financial institutions. At times, such cash and investments may be more than the FDIC insurance limit.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Stock-based Compensation

The Company records stock-based compensation in accordance with ASC 718, *Compensation - Stock Based Compensation* which requires the measurement and recognition of compensation expense based on grant date fair values for all share-based awards made to third parties, employees and directors, including stock options.

ASC 718 requires companies to estimate the fair value of share-based awards to employees and directors on the date of grant. The Company uses the Black-Scholes option-pricing model as its method of determining fair value. This model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the statement of operations over the requisite service period.

Long-lived Assets

Long-lived assets are stated at cost. Maintenance and repairs are expensed as incurred. Depreciation is determined using the straight-line method over the estimated useful lives of the assets, which is five years.

Where an impairment of a property’s value is determined to be other than temporary, impairment for the estimated potential loss is recorded to adjust the property to its net realizable value.

When items of building or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations. The Company does not have any long-lived tangible assets, which are considered impaired as of September 30, 2022.

DISCOVERY MINERALS LTD
Notes to Unaudited Financial Statements
September 30, 2022 and 2021

The Company applies the provisions of ASC 360-10, *Property, Plant and Equipment*, where applicable to all long-lived assets. ASC 360-10 addresses accounting and reporting for impairment and disposal of long-lived assets. The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with ASC 360-10. ASC 360-10 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal.

Intangible Assets

Goodwill and intangible assets are reviewed for potential impairment in accordance with ASC 350, *Intangibles - Goodwill and Other*, whenever events or circumstances indicate that their carrying amounts may not be recoverable. The Company had no such intangibles at September 30, 2022 and 2021, and recorded no impairment losses during the years ended September 30, 2022 and 2021. The Company currently writes off all costs related to any intangible assets it has or is acquiring to current operating expenses.

Revenue Recognition

The Company applies ASC 606, *Revenue from Contracts with Customers*. Under ASC 606, the Company will recognize revenue from the sales of ore and other products, licensing agreements and contracts to perform pilot studies by applying the following steps: (1) identify the amount of ore or other minerals produced in its mining activities; (2) identify the performance obligations under any contracts and production obligations; (3) determine the transaction price; (4) allocate the market price to the ore extracted from its mining activities; and (5) recognize revenue as the ore is completed in the extraction process and any purchase contracts are in place.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the years ended September 30, 2022 and 2021 were \$0.

Fair Value of Financial Instruments

The Company adopted ASC 820, *Fair Value Measurements and Disclosures*, which provides a framework for measuring fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard also expands disclosures about instruments measured at fair value and establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 — Quoted prices for identical assets and liabilities in active markets;

Level 2 — Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3 — Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

DISCOVERY MINERALS LTD
Notes to Unaudited Financial Statements
September 30, 2022 and 2021

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Management makes these estimates using the best information available at the time the estimates are made; however actual results could differ materially from those estimates.

Emerging Growth Company Critical Accounting Policy Disclosure

The Company qualifies as an “emerging growth company” under the 2012 JOBS Act. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. As an emerging growth company, the Company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Company has chosen to “opt out” of such extended transition period, and as a result, the Company will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies.

Income Taxes

The Company accounts for income taxes under ASC 740-10-30, *Income Taxes*. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

The Company adopted ASC 740-10-25, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under ASC 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. ASC 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of ASC 740-10-25.

Loss Per Share

Net loss per common share is computed pursuant to ASC 260-10-45, Earnings Per Share. Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by dividing net loss by the weighted average number of shares of common stock and potentially outstanding shares of common stock during each period, unless their effect is anti-dilutive due to continuing losses.

DISCOVERY MINERALS LTD
Notes to Unaudited Financial Statements
September 30, 2022 and 2021

Leases

The Company adopted the guidance of ASC 842, Leases, which requires an entity to recognize a right-of-use asset and a lease liability for virtually all leases. The Company adopted ASC 842 using a modified retrospective approach. The Company's had no lease obligations through September 30, 2022. As such, there was no cumulative effect of the adoption of this standard and was no cumulative-effect adjustment to retained earnings is necessary.

Recent Accounting Pronouncements

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations or financial position.

NOTE 2 – Financial Condition and Going Concern

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has sustained operating losses during the current year and may not achieve the level of profitable operations to sustain its activities. These factors raise substantial doubt as to its ability to obtain debt and/or equity financing and achieve profitable operations.

Management intends to raise additional operating funds through equity and/or debt offerings. However, there can be no assurance management will be successful in its endeavors. Ultimately, the Company will need to achieve profitable operations in order to continue as a going concern.

There are no assurances that the Company will be able to either (1) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placement, public offerings and/or bank financing necessary to support its working capital requirements. To the extent that funds generated from operations and any private placements, public offerings and/or bank financing are insufficient, the Company will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to the Company. If adequate working capital is not available to the Company, it may be required to curtail its operations.

NOTE 3 – Property and Equipment

At September 30, 2022 and 2021 , property and equipment consisted of the following:

	Useful Lives	September 30, 2022	September 30, 2021
Automobile	2	\$ 20,000	\$ 20,000
Less: accumulated depreciation		(12,500)	(2,500)
		<u>\$ 7,500</u>	<u>\$ 17,500</u>

Depreciation expense was \$10,000 and \$2,500 for the years ended September 30, 2022 and 2021, respectively.

DISCOVERY MINERALS LTD
Notes to Unaudited Financial Statements
September 30, 2022 and 2021

Note 4 – Convertible Notes Payable

On April 10, 2018 the Company issued a convertible promissory note to in the amount of \$300,000. The note was due on April 10, 2019 and bears no interest. The loan may be converted into shares of the Company's common stock at a rate of 95% multiplied by the lowest trading price during the previous ten (10) day trading period ending on the latest complete trading day prior to the conversion date. Pursuant to current accounting guidelines, the Company recorded a note discount of \$300,000 to account for the note's derivative liability. In addition, the Company recorded an amount of discount in excess of the note principal of \$8,909 that was expensed as a financing cost. During the year ended September 30, 2021 the entire principal was converted into 60,000,000 shares of common stock.

During the year ended September 30, 2021, the Company issued net convertible promissory notes to in the amount of \$198,000. The notes are due twelve months from the issue date and bears interest at 1% per annum. The notes may be converted into shares of the Company's common stock at a conversion price of \$.001 per share. As of September 30, 2022, the principal amount of the notes is \$198,000 and accrued interest of \$2,384. Currently, the notes are in default and are considered demand notes. Currently, no demand has been formally made on these notes.

NOTE 4 – Notes Payable

The Company's debt consists of the following:

	September 30, 2022	September 30, 2021
Notes payable, non-interest bearing, interest and principal due upon demand, unsecured. (1)	\$ 366,975	\$ 366,975
Total due	366,975	366,975
Current Portion	366,975	366,975
Long-term portion	\$ -	\$ -

NOTE 5 – Notes Payable-Related Party

The Company's related party debt consists of the following:

	September 30, 2022	September 30, 2021
Notes payable, non-interest bearing, interest and principal due upon demand, unsecured	\$ 379,656	\$ 212,856
Total due	379,656	212,856
Current Portion	379,656	212,856
Long-term portion	\$ -	\$ -

DISCOVERY MINERALS LTD
Notes to Unaudited Financial Statements
September 30, 2022 and 2021

NOTE 6 – Income Taxes

The Company adopted the provisions of ASC 740-10. ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements. ASC 740-10 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. The application of income tax law is inherently complex. Laws and regulation in this area are voluminous and are often ambiguous. As such, we are required to make many subjective assumptions and judgments regarding the income tax exposures. Interpretations and guidance surrounding income tax laws and regulations change over time. As such, changes in the subjective assumptions and judgments can materially affect amounts recognized in the balance sheets and statements of income.

The Company has no unrecognized tax benefit, which would affect the effective tax rate if recognized. There has been no significant change in the unrecognized tax benefit during the years ended September 30, 2022 and 2021.

We classify interest and penalties arising from the underpayment of income taxes in the statement of income under general and administrative expenses. As of September 30, 2022 and 2021, we had no accrued interest or penalties related to uncertain tax positions.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

DISCOVERY MINERALS LTD
Notes to Unaudited Financial Statements
September 30, 2022 and 2021

The components of deferred income tax assets (liabilities) at September 30, 2022 were as follows:

As of June 30, 2022:

	Balance	Rate	Tax
Federal loss carryforward	\$14,100,486	21%	\$ 2,961,102
Valuation allowance			<u>(2,961,102)</u>
Deferred tax asset			<u>\$ -</u>

Due to the passage of the “Tax Cuts and Jobs Act” on December 20, 2017 the rate of the U.S. Federal Income Tax dropped from 34% to 21%, which is a flat percentage tax rate used for the calculation of the deferred income tax assets.

The new law also changes the rules on NOL carry forward. The 20-year limitation was eliminated, giving the taxpayer the ability to carry forward losses indefinitely. However, utilization of NOL carry forwards arising after January 1, 2018, will now be limited to 80 percent of taxable income.

NOTE 8 – Capital Changes

Offering of Securities

Common stock

The Company is authorized to issue 10,000,000,000 shares of \$0.0001 par value common stock.

During the year ended September 30, 2021, 1,256,000,000 shares were issued for the conversion of notes payable in the amount of \$948,780.

During the year ended September 30, 2021, 150,000,000 shares had been issued for services rendered at a value of \$74,000.

There were no shares issued during the year ended September 30, 2022.

The Company has 7,437,913,081 common shares issued and outstanding as of September 30, 2022 and 2021, respectively.

DISCOVERY MINERALS LTD
Notes to Unaudited Financial Statements
September 30, 2022 and 2021

The Company is authorized to issue 3,000,000 shares of \$0.001 par value preferred stock. The Company has 232,752 preferred shares issued and outstanding as of September 30, 2022 and 2021, respectively.

Note 9- Derivative Liability

The FASB has issued authoritative guidance whereby instruments which do not have fixed settlement provisions are deemed to be derivative instruments. Certain warrants issued to investors and conversion features of notes payable did not have fixed settlement provisions because either their exercise prices will be lowered if the Company issues securities at lower prices in the future or the conversion price is variable. In addition, since the number of shares to be issued is not explicitly limited, the Company is unable to conclude that enough authorized and unissued shares are available to share settle the conversion option. In accordance with the FASB authoritative guidance, the conversion feature of the notes was separated from the host contract (i.e., the notes) and the fair value of the warrants have been recognized as a derivative and will be re-measured at the end of every reporting period with the change in value reported in the statement of operations.

The risk-free interest rate was based on rates established by the Federal Reserve Bank. The Company uses the historical volatility of its common stock to estimate the future volatility for its common stock. The expected life of the derivative securities was determined by the remaining contractual life of the derivative instrument. For derivative instruments that already matured, the Company used the estimated life. The expected dividend yield was based on the fact that the Company has not paid dividends to its common stockholders in the past and does not expect to pay dividends to its common stockholders in the future.

Effective January 1, 2021, we early adopted ASU 2020-06 using the modified retrospective approach. Adoption of the new standard resulted in additional paid-in capital of \$297,608.

As of September 30, 2022 and 2021 the derivative liability amounted to \$0, respectively.

NOTE 10 – Contingencies, Commitments, Legal Matters and Consulting Agreements

Management of the Company has conducted a diligent search and concluded that there were no commitments, contingencies, or legal matters pending at the balance sheet dates.

DISCOVERY MINERALS LTD
Notes to Unaudited Financial Statements
September 30, 2022 and 2021

Note 11 – Related Party Transactions

The Company and Russell Smith, CEO and Director entered into a service agreement whereby Mr. Smith will provide office accommodations, telephone connections, computer time and space as well as maintain all files and corporate records for a quarterly fee of \$37,500. During the year ended September 30, 2021, the Company issued 600,000,000 shares of common stock upon conversion of \$600,000 of the related party debt to Mr. Smith. As of September 30, 2022 Mr. Smith is owed the amount of \$379,656 as listed above in Notes Payable-Related Parties.

NOTE 12 – Prior Period Adjustment

The Company reclassified \$58,917 to Additional Paid-In Capital for notes that were previously converted to common stock and these conversions should have included the applicable accrued interest.

NOTE 13 – Subsequent Events

In accordance with ASC 855-10, the Company has analyzed its operations subsequent to September 30, 2022 and through the date these financial statements were issued and has determined that it has the following material subsequent events to disclose in these financial statements.

As previously disclosed in the Company's period ending March 31, 2021 quarterly report and further press release dated April 30, 2021, the Company signed an agreement with ALT 5 Sigma for the development of its Discovery Coin and Gateway Payment. However, management has determined this course of action would not be in the Company's or the shareholders best interest and has terminated the agreement and is no longer exploring a crypto currency initiative.

In December 2021 the Company entered into an escrow agreement whereby all coin buyers will be refunded their full purchase amount.

The escrow structure remains intact while the Company is awaiting the refund of the money for the coin buyers.

