



Leviathan Gold Ltd

Condensed Consolidated Interim Financial Statements
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

For the three and six months ended December 31, 2020

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

LEVIATHAN GOLD LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
AS AT

	December 31, 2020	June 30, 2020
ASSETS		
Current		
Cash	\$ 287,149	\$ 1
Receivables and prepaid expenses (Note 4)	<u>65,993</u>	<u>-</u>
	<u>\$ 353,142</u>	<u>\$ 1</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 141,447	\$ -
Loan payable (Note 5)	<u>352,403</u>	<u>-</u>
	<u>493,850</u>	<u>-</u>
Shareholders' equity (deficiency)		
Share capital (Note 6)	1	1
Deficit	<u>(140,709)</u>	<u>-</u>
	<u>(140,708)</u>	<u>1</u>
	<u>\$ 353,142</u>	<u>\$ 1</u>

Nature and continuance of operations (Note 1)
Subsequent event (Note 10)

Approved on Behalf of the Board on February 25, 2021:

"Luke Norman"
Luke Norman - Director

"Jonathan Richards"
Jonathan Richards - Director

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

LEVIATHAN GOLD LTD**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	For the three months ended December 31, 2020	For the six months ended December 31, 2020
EXPENSES		
Consulting fees (Note 7)	\$ 30,000	\$ 30,000
Exploration costs – geological consulting (Note 7)	30,000	30,000
Foreign exchange	1,095	1,095
Management fees (Note 7)	55,000	55,000
Marketing and shareholder communications	2,738	2,738
Office and administrative expenses	5,889	5,889
Professional fees (Note 7)	<u>15,987</u>	<u>15,987</u>
Loss and comprehensive loss for the period	\$ (140,709)	\$ (140,709)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	31,375,328	14,024,444

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

LEVIATHAN GOLD LTD
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	For the six months ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the period	\$ (140,709)
Non-cash working capital item changes:	
Receivables and prepaid expenses	(65,993)
Accounts payable and accrued liabilities	<u>141,447</u>
Net cash used in operating activities	<u>(65,255)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Loan payable	<u>352,403</u>
Net cash provided by financing activities	<u>352,403</u>
Change in cash for the period	287,148
Cash, beginning of period	<u>1</u>
Cash, end of period	<u>\$ 287,149</u>

There were no material non-cash transactions during the period ended December 31, 2020. No cash was paid for interest or taxes for the period ended December 31, 2020.

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

LEVIATHAN GOLD LTD.**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number	Amount	Deficit	Total
Balance, June 24, 2020	-	\$ -	\$ -	-
Shares issued for cash	1	1	-	1
Loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, June 30, 2020	1	1	-	1
Share distribution on spin-out	67,907,830	-	-	-
Loss for the period	<u>-</u>	<u>-</u>	<u>(140,709)</u>	<u>(140,709)</u>
Balance, December 31, 2020	67,907,831	\$ 1	\$ (140,709)	\$ (140,708)

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

LEVIATHAN GOLD LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2020

1 NATURE AND CONTINUANCE OF OPERATIONS

Leviathan Gold Ltd., (the “Company”) was incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on June 24, 2020. The Company is principally engaged in the acquisition and exploration of resource properties in Victoria, Australia. The Company was incorporated as the target company for certain assets and liabilities that were spun out from Fosterville South Exploration Ltd. (“Fosterville”). The Company was spun out from Fosterville during the period and the projects were acquired subsequent to period end (refer to note 10 for a description of the transaction). The Company’s shares are publicly traded on TSX Venture Exchange (“TSXV”) under the symbol LVX.

The address of its head office is located at Suite 488-1090 West Georgia Street, Vancouver, British Columbia, Canada V6E 3V7. The Company’s registered and records office is 2900-550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0A3.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s ability to raise funds or complete the Transactions.

These condensed consolidated interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company’s continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern

2 BASIS OF PRESENTATION**Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements are compliant with IAS 34 and do not include all of the information required for full annual financial statements.

Basis of presentation

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

These consolidated financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

LEVIATHAN GOLD LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
FOR THE PERIOD ENDED DECEMBER 31, 2020

2 BASIS OF PRESENTATION (cont'd...)

Consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned and controlled subsidiaries, Leviathan Gold (Australia) PTY Ltd. (“Leviathan Australia”), incorporated in Australia on June 29, 2020 and 1274996 B.C Ltd, incorporated in British Columbia, Canada.

Leviathan and 1274996 B.C Ltd have a functional currency of Canadian Dollar (CAD) and Leviathan Australia has a functional currency of Australian Dollar (AUD).

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

3 SIGNIFICANT ACCOUNTING POLICIES

The Company’s accounting policies are the same as those applied in the Company’s consolidated financial statements for the period from incorporation on June 24, 2020 to June 30, 2020. These condensed consolidated interim financial statements should be read in conjunction with the Company’s consolidated financial statements for the period from incorporation on June 24, 2020 to June 30, 2020.

Significant judgements, estimates and assumptions

The preparation of these financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company, as disclosed in Note 1.

4 RECEIVABLES AND PREPAID EXPENSES

	December 31, 2020
Goods and service tax (“GST”) receivable	\$ 2,385
Prepayments	<u>63,608</u>
Total	<u>\$ 65,993</u>

LEVIATHAN GOLD LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2020

5 LOAN PAYABLE

During the period Leviathan Finance Ltd (“FinCo”) raised \$12,908,000, at a price of \$0.50 pursuant to the issuance of 25,816,000 subscription receipts, of which \$12,061,705 was held in escrow pending the successful completion of the Amalgamation (refer to Note 10 for a description of the transaction), \$352,403 was released to FinCo, and \$493,892 was paid to towards agents’ commissions and expenses.

FinCo loaned the Company \$352,403 for general working capital while the Company completed the Spin-Out and Amalgamation transactions (Note 10). The loan was unsecured, non-interest bearing and was due on demand. Subsequent to period end FinCo amalgamated with a subsidiary of the Company.

6 SHARE CAPITAL**(a) Authorized**

Unlimited number of common shares without par value.

(b) Issued and outstanding

On June 24, 2020, the date of incorporation, the Company issued one common share at a price of \$1.

On November 23, 2020, the Company was spun-out from Fosterville. The Company completed a forward split of its Share and Fosterville distributed 67,907,831 common shares to the shareholders of Fosterville.

7 RELATED PARTY TRANSACTIONS

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company’s Chief Executive Officer and Chief Financial Officer.

During the six months ended December 31, 2020 the Company entered into the following transactions with related parties, not disclosed elsewhere in these condensed consolidated interim financial statements:

	December 31, 2020
Professional fees	\$ 15,000
Exploration costs	30,000
Management fees	55,000
	<u>\$ 100,000</u>

As at December 31, 2020, \$106,652 (June 30, 2020 - \$nil) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to professional fees and reimbursement of expenses.

8 SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in Victoria, Australia.

LEVIATHAN GOLD LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2020

9 FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

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

The carrying value of receivables and accounts payable and accrued liabilities approximates fair value due to the short term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is classified as fair value through profit or loss. Receivables are classified at amortized cost. Accounts payable and accrued liabilities are classified as amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of goods and services tax receivable from the government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities and loans payable are due within one year.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

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FOR THE PERIOD ENDED DECEMBER 31, 2020

9 FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

Risk management (cont'd...)

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. As at December 31, 2020, the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity (deficiency).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

LEVIATHAN GOLD LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2020

10 SUBSEQUENT EVENTS

On October 1, 2020 the Company entered into an Arrangement Agreement (the “Arrangement Agreement”) with Fosterville and FinCo. Under the terms of the Arrangement Agreement, Fosterville, pursuant to a Plan of Arrangement, spun-out the Company on November 23, 2020 and Fosterville distributed 67,907,831 Company shares to the Fosterville Shareholders (the “Spin-Out”).

Following completion of the Spin-Out, FinCo completed the following financings (the “Financings”):

- Issued, 6,000,000 common shares at a price of \$0.001 to the new management and board of FinCo; and
- Raised \$12,908,000, at a price of \$0.50 pursuant to the issuance of subscription receipts, of which \$12,061,705 is held in escrow pending the successful completion of the amalgamation, \$352,403 was released to FinCo, and \$493,892 was paid to towards agents’ commissions and expenses. The Company issued 1,547,000 broker warrants in connection with the financing. Each broker warrants entitles the holder to acquire one common share of the Company for a period of 24 months.

Following completion of the Financings, Leviathan Australia entered into an agreement to acquire certain exploration properties, known as the Avoca and Timor Projects and certain other tenements, from Fosterville’s wholly owned subsidiary, Currawong Resources Pty Ltd. (“Currawong”). The Company agreed to acquire the exploration properties at fair value of AUD\$764,081 and assume the underlying obligations of Fosterville and Currawong under the purchase agreement that Currawong first acquired the Properties.

Prior to the completion of acquisition of exploration properties from Currawong, the Company caused 1274996 B.C Ltd., a wholly owned subsidiary of the Company, to amalgamate with FinCo (the “Amalgamation”), with the Company issuing 31,816,000 shares of the Company to the former securityholders of FinCo in connection with such amalgamation.

Following the Amalgamation, the Company applied and received approval to list on the TSXV, and commenced trading on February 10, 2021.

The shares issued under the Spin-Out to the Fosterville Shareholders and the Founder Shares are subject to a Tier 2 Value Security Escrow pursuant to the rules of the TSXV, with such common shares to be released as to 10% upon the issuance by the TSXV of the Exchange Bulletin and thereafter released in 15% increments every 6 months.

On January 29, 2021 the Company granted 7,000,000 stock options exercisable at \$0.50 for a period of five years to directors, officers and consultants of the Company.