JOINT INFORMATION CIRCULAR

OF

FOSTERVILLE SOUTH EXPLORATION LTD.

AND

LEVIATHAN GOLD FINANCE LTD.

IN CONNECTION WITH AN ANNUAL AND SPECIAL MEETING OF

FOSTERVILLE SOUTH EXPLORATION LTD.

AND

WRITTEN SPECIAL RESOLUTIONS OF THE SHAREHOLDERS OF LEVIATHAN GOLD FINANCE LTD.

(As at October 9, 2020)

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the transaction described in this information circular.

October 9, 2020

Dear Shareholders of Fosterville South Exploration Ltd. ("**FSX**" or the "**Corporation**"),

the Corporation has called an annual and special meeting (the "**Meeting**") of the holders of common shares of the Corporation ("**Shareholders**") to be held at 9:30 a.m. (Vancouver time) on November 13, 2020.

In order to mitigate risks to the health and safety of Shareholders, management, and the community at large, the Corporation, with regret, but in accordance with current public health guidelines, strongly discourages Shareholders from physically attending the Meeting and asks that all shareholders vote by proxy prior to the Meeting - but especially if experiencing cold or flu-like systems, or if a shareholder or someone the shareholder has been in close contact with has travelled to or from outside of Canada within 14 days prior to the Meeting. In light of the rapidly evolving news and guidelines related to the COVID-19 outbreak, we ask that, in considering whether to attend the Meeting, shareholders follow the instructions and Guidelines of the Public Health Agency of Canada (https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html), particularly with respect to "social distancing" efforts, as well as all additional provincial and local instructions and guidance.

At the Meeting, Shareholders will be asked to, among other things, pass a special resolution approving a statutory arrangement (the "**Arrangement**") involving, among other things, the distribution of common shares (the "**SpinCo Shares**") of Leviathan Gold Ltd. ("**SpinCo**" or "**Leviathan**"), currently a wholly-owned subsidiary of the Corporation, to Shareholders on the basis of one SpinCo Share for every one common share of the Corporation held (each, an "**FSX Share**").

Following completion of the Arrangement, (i) Leviathan Gold Finance Ltd. ("**Finco**") will undertake an equity financing (the "**Finco Financing**") to fund the exploration, advancement and development of the Avoca and Timor projects and (ii) a wholly-owned subsidiary of SpinCo ("**SpinCo Sub**") and Finco will amalgamate (the "**Amalgamation**") and following such Amalgamation, an Australian incorporated wholly-owned subsidiary of Leviathan will acquire (the "**Sale**") the granted exploration licenses for the Avoca Project and the Timor Projects located in the state of Victoria, Australia (the Avoca Project and the Timor Project together, the "**SpinCo Projects**") from a wholly-owned subsidiary of FSX, subject to completion of the Arrangement and certain other customary closing conditions.

At the Meeting, Shareholders will be asked to, among other things, pass an ordinary resolution approving the Sale.

The board of directors of the Corporation (the "**Board**") believes that the creation of two separate public companies, with the Corporation retaining and focusing its core Lauriston Gold Project, Golden Mountain Project, Providence Project and Walhalla Belt Project in Victoria, and SpinCo focusing on the SpinCo Projects, will enhance the respective business operations of each company by providing dedicated management teams and increasing project attention, provide Shareholders with additional investment choices and flexibility, and unlock the value of FSX's highly prospective mineral property portfolio.

After careful consideration, the Board has unanimously determined that the Arrangement is fair to Shareholders and is in the best interests of the Corporation. The various factors considered by the Board in arriving at this determination are described in the enclosed management information circular. To be effective, the Arrangement must be approved by a special resolution passed by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting, which holders are entitled to one vote for each FSX Share. **The Board has unanimously approved the Arrangement and recommends that Shareholders vote in favour of the**

special resolution approving the Arrangement and the ordinary resolutions approving the Sale and the option plan of Leviathan.

It is a condition of the completion of the Amalgamation that Leviathan Gold Ltd. receive conditional approval from the TSX Venture Exchange Inc. (the "**TSXV**") for the listing of its shares on the TSXV (the "**Listing Condition**"). Listing on the TSXV will be subject to Leviathan Gold Ltd. meeting all of the listing requirements and conditions and receiving the final approval of the TSXV. It is not a condition to completion of the Arrangement that the Listing Approval be obtained by the effective date of the Arrangement. The Arrangement, the Sale and the Listing Condition are subject to the approval of the TSXV. Neither FSX nor Leviathan Gold Ltd. may proceed with the Arrangement, Sale or Listing Condition unless the approval of the TSXV is obtained in respect of the applicable transaction.

Your vote is important regardless of how many FSX Shares you own. If you are a registered holder of FSX Shares, we encourage you to take the time now to complete, sign, date and return the enclosed form of proxy in the return envelope addressed to Computershare, Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, ON, M5J 2Y1 (or fax a copy of the completed, signed and dated form of proxy to Computershare at 1-866-249-7775) to be received no later than 9:30 a.m. (Vancouver time) on November 11, 2020, to ensure that your FSX Shares are voted at the Meeting in accordance with your instructions. If you hold your FSX Shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your FSX Shares as soon as possible.

On behalf of FSX, we would like to thank all of our Shareholders for their ongoing support. Yours very truly,

(s) Bryan Slusarchuk

Bryan Slusarchuk, President and CEO

October 9, 2020

Dear Shareholders of Leviathan Gold Finance Limited ("**Finco**"), you (the "**Finco Shareholders**") are being asked to pass a special resolution approving an amalgamation (the "**Amalgamation**") of Finco with Leviathan Gold Ltd., currently a wholly-owned subsidiary of Fosterville South Exploration Ltd.

To be effective, the Amalgamation must be approved by a written special resolution executed by all of the Finco Shareholders. The attached joint information circular is being provided to you in connection with the special resolution.

After careful consideration, the Finco Board has unanimously determined that the Amalgamation is fair to Finco Shareholders and is in the best interests of Finco. **The Finco Board has unanimously approved the Amalgamation and recommends that Finco Shareholders pass the special written resolution approving the Amalgamation.**

As a special written resolution requires the approval of each Finco Shareholder to be effective, your approval of the special resolution is important regardless of how many Finco Shares you own. Please follow the instructions with respect to the written resolution provided to you by management. On behalf of Finco, thank you for your support. Yours very truly,

(s) Luke Norman

Luke Norman, President and CEO

FOSTERVILLE SOUTH EXPLORATION LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "**Meeting**") of the holders of common shares ("**Shareholders**") of Fosterville South Exploration Ltd. (the "**Corporation**") will be held at the offices of Fasken Martineau DuMoulin LLP, 550 Burrard St. Suite 2900, Vancouver, British Columbia, on November 13, 2020, at 9:30 a.m. (local time), for the following purposes:

1. To receive and consider the report of the directors to the shareholders and the audited financial statements of the Corporation for the year ended December 31, 2019 together with the auditor's report thereon.

2. To elect directors for the ensuing year.

3. To appoint BDO Canada LLP, as Auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration.

4. To consider, and if thought fit, approve, with or without amendment, an ordinary resolution to approve the Corporation's stock option plan, as more particularly described in the accompanying joint management information circular (the "**Circular**").

5. To consider, and if thought fit, approve, with or without amendment, a special resolution (the "**Arrangement Resolution**"), the full text of which is attached as Schedule A to the Circular for a statutory arrangement under section 288 of the *Business Corporations Act* (British Columbia) which involves, among other things, the distribution of common shares of Leviathan Gold Ltd. ("**SpinCo**") to shareholders of the Corporation on the basis of one SpinCo common share for each common share of the Corporation held, all as more particularly described in the Circular.

6. To consider, and if thought fit, approve, with or without amendment, an ordinary resolution to approve the sale of the exploration licenses for the Avoca Project and the Timor Projects located in the state of Victoria, Australia and certain other tenements to SpinCo or its affiliates.

7. To consider, and if thought fit, approve, with or without amendment, an ordinary resolution to approve a stock option plan for SpinCo.

8. To consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or any adjournment thereof. Management is not currently aware of any other matters that could come before the Meeting.

Copies of the Arrangement Resolution, the plan of arrangement, the petition to the court, the interim order and notice of hearing of petition are attached to the Circular as Schedule A, Schedule C, Schedule D, Schedule E, and Schedule F respectively. Registered Shareholders have a right of dissent in respect of the proposed arrangement and to be paid the fair value of their common shares of the Corporation. The dissent rights are described in the accompanying Circular and are attached to the Circular as Schedule G. **Failure to strictly comply with the required procedures may result in the loss of any right of dissent**.

The Board of Directors of the Corporation has set October 2, 2020 as the record date for determining the Shareholders entitled to receive notice of and vote at the Meeting or any adjournment(s) or postponement(s) thereof.

If you are a registered Shareholder, whether or not you intend to attend the Meeting, you are requested to complete, sign, date and return the enclosed form of proxy (a "**Proxy**") in accordance with the instructions set out therein and the enclosed management information circular. To be effective, Proxies must be received by: mail or delivery addressed to the Corporation's registrar and transfer agent at Computershare, Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, ON, M5J 2Y1; by telephone by calling Computershare toll-free in North America at 1-866-732-8683 or outside at North America 1-312-588-4290; by internet at Computershare's website at www.investorvote.com and following the instructions thereon, or by faxing a copy of the completed, signed and dated Proxy to Computershare at 1-866-249-7775, in each case prior to 9:30 a.m. (Vancouver time) on November

13, 2020, or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time the adjourned meeting is reconvened or postponed Meeting is convened. In certain circumstances, Proxies may also be deposited with the scrutineers of the Meeting, to the attention of the chair of the Meeting, at or immediately prior to the commencement of the Meeting or any postponement(s) or adjournment(s) thereof.

In order to mitigate risks to the health and safety of Shareholders, management, and the community at large, the Corporation, with regret, but in accordance with current public health guidelines, strongly discourages Shareholders from physically attending the Meeting and asks that all Shareholders vote by proxy prior to the Meeting - but especially if experiencing cold or flu-like systems, or if a Shareholder or someone the shareholder has been in close contact with has travelled to or from outside of Canada within 14 days prior to the Meeting. In light of the rapidly evolving news and guidelines related to the COVID-19 outbreak, we ask that, in considering whether to attend the Meeting, shareholders follow the instructions and Guidelines of the Public Health Agency of Canada (https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html), particularly with respect to "social distancing" efforts, as well as all additional provincial and local instructions and guidance.

Non-registered Shareholders who are beneficial owners of common shares registered in the name of a broker, dealer, custodian, nominee or other intermediary should carefully follow the instruction on the form received from their intermediary in respect of voting of shares that they beneficially own to ensure that their shares are voted at the Meeting in accordance with their instructions.

SHAREHOLDERS ARE REMINDED TO CAREFULLY REVIEW THE CIRCULAR BEFORE VOTING.

DATED at Vancouver, British Columbia this 9th day of October, 2020.

ON BEHALF OF THE BOARD OF DIRECTORS

(s) Bryan Slusarchuk

Bryan Slusarchuk, President and CEO

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non- registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

FOSTERVILLE SOUTH EXPLORATION LTD.

AND LEVIATHAN GOLD FINANCE LTD.

JOINT MANAGEMENT INFORMATION CIRCULAR

Contents

NOTICE TO READERS

This Circular is furnished by management of FSX in connection with (i) the solicitation of proxies by and on behalf of management for use at the Meeting and any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying Notice of Meeting and in this Circular, and (ii) providing certain information to the shareholders of Finco in connection with passing a written special resolution in connection with the Arrangement. Unless the context requires otherwise, in this Circular, references to "we", "us" and "our" are references to FSX. All capitalized terms used in this Circular (including the Schedules hereto) but not otherwise defined herein have the meanings set forth under "*Glossary of Defined Terms*". Except where otherwise expressly noted, information in this Circular is given as of October 9, 2020.

No person has been authorized to give any information or to make any representation in connection with the Arrangement and any other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should not be considered to have been authorized by FSX or SpinCo.

This Circular does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation by proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer.

INFORMATION FOR UNITED STATES SHAREHOLDERS

The securities to be issued to Shareholders pursuant to the Arrangement described in this Circular have not been and will not be registered under the 1933 Act or any U.S. state securities laws, and are being issued in reliance on the exemption from the registration requirements under the 1933 Act set forth in Section 3(a)(10) thereof. Section 3(a)(10) of the 1933 Act provides an exemption from registration under the 1933 Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on October 9, 2020 and, subject to the approval of the Arrangement by the Shareholders at the Meeting, it is expected that the hearing on the Arrangement will be held by the Court on November 17, 2020 at 9:45 a.m. (Vancouver time), or as soon thereafter as possible at 800 Smithe Street, Vancouver, British Columbia, or by telephone or video conference hearing, as determined by the Corporation or as directed by the Court. Subject to applicable COVID-19 mitigation measures, Shareholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See "*The Arrangement – Court Approval of the Arrangement*" in this Circular.

The solicitation of proxies for the Meeting made pursuant to this Circular is not subject to the requirements applicable to proxy statements under the 1934 Act as the FSX Shares are not registered under the 1934 Act. The securities to be issued to Shareholders pursuant to the Arrangement described in this Circular will not be listed for trading on any United States stock exchange or registered under the 1934 Act. Accordingly, the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act.

The financial statements and pro forma and historical carve-out financial information included in this Circular have been prepared based upon IFRS and are subject to Canadian auditing standards and auditor independence standards and thus are not comparable in all respects to financial statements prepared in accordance with United States GAAP and subject to standards of the Public Company Accounting Oversight Board. Likewise, information concerning the operations of FSX and SpinCo contained herein has been prepared based on IFRS disclosure standards, which are not comparable in all respects to United States disclosure standards.

The enforcement by investors of civil liabilities under the United States securities laws may be adversely affected by the fact that FSX and SpinCo and certain of their respective subsidiaries are organized under the laws of jurisdictions outside the United States, that certain of their officers and directors are residents of countries other than the United States, that the experts named in this Management Information Circular are residents of countries other than the United States and that a significant portion of the assets of FSX and SpinCo and their respective subsidiaries and substantially all of the assets of certain such persons are located outside the United States. As a result, it may be difficult or impossible for Shareholders in the United States to effect service of process within the United States upon FSX or SpinCo, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, Shareholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

In addition, when used in respect of the projects in which FSX or SpinCo has an interest, the terms "mineral reserve" and "mineral resource" have been reported in accordance with Canadian reporting standards. Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101. U.S. reporting requirements for issuers engaged in mining operations are governed by subpart 1300 of Regulation S-K. The information included or incorporated by reference in this Circular includes estimates of the "mineral reserve" and "mineral resource" reported in accordance with NI 43-101. The reporting standards under NI 43-101 and Regulation S-K may be materially different and may not be comparable in all respects. As such, certain information included in this Circular concerning descriptions of mineralization and estimates of "mineral reserve" and "mineral resource" reported in accordance with Canadian standards may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the SEC. Readers are cautioned not to assume that all or any part of a "measured mineral resource" or "indicated mineral resource" estimate will ever be converted into a "mineral reserve". Readers should also not assume that all or any part of a "mineral resource" will ever be upgraded to a higher category. In particular, an "inferred mineral resource" has a great amount of uncertainty as to its existence and as to its economic and legal feasibility and, under NI 43-101, an "inferred mineral resource" estimate may not form the basis of feasibility or other economic studies. Readers are, therefore, further cautioned not to assume that all or any part of an "inferred mineral resource" exists or is, or will ever be, economically or legally mineable.

The securities to be issued to Shareholders pursuant to the Arrangement will generally be freely transferable under U.S. federal securities laws, except by persons who are "affiliates" (as such term is understood under U.S. securities laws) of FSX and SpinCo after the Effective Date, or were "affiliates" of FSX and SpinCo within 90 days prior to the Effective Date. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such securities by such an affiliate (or former affiliate) may be subject to the registration requirements of the 1933 Act, absent an exemption therefrom. See "*Certain Securities Law Matters – United States Securities Law*s".

NONE OF THE ARRANGEMENT, THIS CIRCULAR OR THE SECURITIES ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY IN ANY STATE OF THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES OR ANY CANADIAN SECURITIES COMMISSION PASSED UPON OR ENDORSED THE MERITS OF THE ARRANGEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

FORWARD-LOOKING INFORMATION

This Circular includes and incorporates statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). Forward-looking statements include, but are not limited to, statements concerning the completion and proposed terms of, and matters relating to, the Arrangement, the Amalgamation, the Finco

Financing, the Purchase Agreement and the expected timing related thereto, the tax treatment of the Arrangement and the Amalgamation, the expected operations, financial results and condition of FSX, Finco and SpinCo following the Arrangement, each company's future objectives and strategies to achieve those objectives, the use of available funds by SpinCo, the future prospects of each company as an independent company, the listing or continued listing of each of FSX and SpinCo on the TSXV, any market created for either company's shares, the estimated capitalization and adequacy thereof for each company following the Arrangement and the Amalgamation, as applicable, the expected benefits of the Arrangement and Amalgamation, as applicable, to, and resulting treatment of, shareholders and each company, the anticipated effects of the Arrangement and the Amalgamation, the estimated costs of the Arrangement, the Amalgamation, the Purchase Agreement, the Finco Financing and the ancillary transactions, the satisfaction of the conditions to consummate the Arrangement and the Amalgamation, as well as other statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect management's current beliefs, expectations and assumptions and are based on information currently available to management, management's historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in or incorporated into this Circular, we have made certain assumptions with respect to, among other things, the anticipated approval of the Arrangement and the Amalgamation by shareholders and the Court, as applicable, the anticipated terms of the Finco Financing and the Purchase Agreement, the anticipated receipt of any required regulatory approvals and consents (including the final approval of the TSXV), the expectation that each of FSX, Finco and SpinCo will comply with the terms and conditions of the Arrangement Agreement, the expectation that no event, change or other circumstance will occur that could give rise to the termination of the Arrangement Agreement, that no unforeseen changes in the legislative and operating framework for the respective businesses of FSX, Finco and SpinCo will occur, that each company will meet its future objectives and priorities, that each company will have access to adequate capital to fund its future projects and plans, that each company's future projects and plans will proceed as anticipated, as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: conditions precedent or approvals required for the Arrangement, Amalgamation, Finco Financing or Purchase Agreement not being obtained; the potential benefits of the Arrangement or Amalgamation not being realized; the risk of tax liabilities as a result of the Arrangement, Amalgamation Agreement or Purchase Agreement; general business and economic uncertainties and adverse market conditions; the potential for the combined trading prices of New FSX Shares (as defined below) and SpinCo Shares after the Arrangement or Amalgamation, as applicable, being less than the trading price of FSX Shares immediately prior to the Arrangement; there being no established market for the SpinCo Shares; FSX's ability to delay or amend the implementation of all or part of the Arrangement or to proceed with the Arrangement or Amalgamation even if certain consents and approvals are not obtained on a timely basis; the reduced diversity of FSX and SpinCo as separate companies; the costs related to the Arrangement and the ancillary transactions that must be paid even if the Arrangement or Amalgamation is not completed; obtaining approvals and consents, or satisfying other requirements, necessary or desirable to permit or facilitate completion of the Arrangement or Amalgamation; global financial markets, general economic conditions, competitive business environments, and other factors may negatively impact FSX's financial condition; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement or Amalgamation; or the potential inability or unwillingness of current Shareholders to hold New FSX Shares and/or SpinCo Shares following the Arrangement. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Management Information Circular, see the risk factors discussed under "**The Arrangement – Risk Factors Relating to the Arrangement**" in this Circular and under the heading "Risk Factors" in Schedule H, as well as the risk factors included in FSX's management's discussion and analysis for the year ended December 31,

2019 and for the interim period ended June 30, 2020 and as described from time to time in the reports and disclosure documents filed by FSX with Canadian securities regulatory authorities, which are available under FSX's profile on SEDAR at www.sedar.com. This is not an exhaustive list of the factors that may impact FSX's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on FSX's forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in or incorporated by reference into this circular are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this Circular and, except as required by applicable law, neither FSX nor SpinCo undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by FSX or SpinCo that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

The Corporation reports its financial information in Canadian dollars and incurs certain expenses in Australian dollars. All references to dollars or "**$**" in this circular are to Canadian dollars unless otherwise indicated and all references to Australian dollars or "AUD$" are to the lawful currency of Australia.

On October 9, the daily average exchange rate for the conversion of Canadian dollars into Australian dollars was $1 = AUD$1.0534, as reported by the Bank of Canada.

The financial statements and pro forma and historical financial information included or incorporated by reference in this Circular have been prepared using IFRS and are subject to Canadian auditing standards and auditor independence standards and thus are not comparable in all respects to financial statements prepared in accordance with United States GAAP and subject to standards of the Public Company Accounting Oversight Board. Likewise, information concerning the operations of FSX and SpinCo and their respective subsidiaries contained herein has been prepared based on IFRS disclosure standards, which are not comparable in all respects to United States disclosure standards.

GLOSSARY OF DEFINED TERMS

The following is a glossary of certain terms used in this Circular, including the summary hereof and the Schedules to the Circular.

"**1933 Act**" means the United States Securities Act of 1933, as amended, and all rules and regulations thereunder.

"**1934 Act**" means the United States Securities Exchange Act of 1934, as amended, and all rules and regulations thereunder.

"**AUD**" means Australian Dollars.

"**Amalgamation**" means the contemplated amalgamation of Finco and SpinCo CanSub following the Effective Date of the Arrangement.

"**Arrangement**" means the arrangement of FSX under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Plan of Arrangement or the Arrangement Agreement or made at the direction of the Court in the Final Order and acceptable to FSX, SpinCo and FinCo.

"**Arrangement Agreement**" means the arrangement agreement dated October 1, 2020 between FSX, FinCo and SpinCo, a copy of which is attached as Schedule C, as it may be amended or modified from time to time.

"**Arrangement Resolution**" means the special resolution to be considered by the Shareholders at the Meeting to approve the Arrangement, substantially in the form set out at Schedule A.

"**Avoca Project**" means the tenement issued under EL5387 located in the State of Victoria, Australia.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.

"**Board**" or "**Board of Directors**" means the board of directors of the Corporation, as constituted from time to time.

"**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia or Toronto, Ontario.

"**Circular**" means this joint management information circular of the Corporation and Finco dated October 9, 2020, together with all schedules, appendices and exhibits hereto, as amended, supplemented or otherwise modified from time to time.

"**Computershare**" means Computershare Investor Services Inc., at its offices in Vancouver, British Columbia, in its capacity as registrar and transfer agent of FSX and of SpinCo.

"**Core Properties**" means the Lauriston Gold Project, Golden Mountain Project, the Providence Project and the Walhalla Belt Project and other exploration licenses applied for by the Corporation in the State of Victoria, Australia.

"**Corporation**" or "FSX" means Fosterville South Exploration Ltd., a corporation existing under the BCBCA.

"**Court**" means the Supreme Court of British Columbia.

"**Currawong**" means Currawong Resources Pty Ltd., a wholly owned subsidiary of the Corporation.

"**Depositary**" means Computershare Investor Services Inc., in its capacity as depositary, or such other depositary as FSX may determine.

"**Dissent Procedures**" has the meaning given to it under the heading "Dissent Rights".

"**Dissent Rights**" means the right of Registered Shareholders to exercise a right of dissent under the BCBCA in strict compliance with the Dissent Procedures.

"**Dissenting Shareholder**" mean a Registered Shareholder who exercises Dissent Rights in respect of the Arrangement in strict compliance with the BCBCA, as modified or supplemented by the Interim Order, Plan of Arrangement or any other order(s) of the Court and who has not withdrawn or have been deemed to have withdrawn such exercise of such Dissent Rights and who is ultimately entitled to be paid fair value for his, her or its FSX Shares.

"**Effective Date**" means the effective date of the Arrangement, which shall be two Business Days following the date on which all of the conditions precedent to the completion of the Arrangement have been satisfied or waived in accordance with the Arrangement Agreement (other than conditions which cannot, by their terms, be satisfied until the Effective Date, but subject to satisfaction or waiver of such conditions as of the Effective Date) or such other date as may be mutually agreed by FSX and SpinCo, and FSX and SpinCo shall execute a certificate confirming the Effective Date.

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time on the Effective Date as may be mutually agreed by FSX and SpinCo.

"**Final Order**" means the order made after application as the final order of the Court approving the Arrangement.

"**Finco**" means Leviathan Gold Finance Ltd., a corporation incorporated under the laws of British Columbia.

"**Finco Financing**" means the proposed offering by Finco of securities for gross proceeds to Finco of at least $5,000,000.

"**Finco Resolution**" means the written special resolution of all Finco Shareholders approving the Amalgamation.

"**Finco Shareholders**" means holders of common shares in the capital of Finco.

"**FliteGold**" means FliteGold Pty Ltd.

"**FSX Option Plan**" means the stock option plan of FSX, adopted on December 12, 2019 by the Board and providing for the granting of incentive options to the Corporation's directors, officers, employees and consultants in accordance with the rules and policies of the TSXV.

"**FSX Options**" means options to purchase FSX Shares granted under the FSX Option Plan.

"**FSX Shares**" means the common shares without par value in the capital of FSX, as constituted on the date hereof.

"**Golden Mountain Project (Tallangalook Project)**" means the tenement issued under EL006430 consisting of 136 km^2 located in the State of Victoria, Australia and also referred to as the Tallangalook Project.

"**IFRS**" means international financial reporting standards as adopted by the International Accounting Standards Board from time to time.

"**Interim Order**" means an order made after application as an interim order of the Court dated October 9, 2020, in respect of the Meeting and the Arrangement, a copy of which is attached as Schedule F.

"**Intermediary**" means an intermediary with which a Non-Registered Shareholder may deal, including banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans (each, as defined in the Tax Act) and similar plans, and their nominees.

"**km**" means kilometre.

"**Lauriston Gold Project**" means the tenement issued under EL6656 consisting of 287 km^2 located in the State of Victoria, Australia.

"**Letter of Transmittal**" means the letter of transmittal to be sent to Shareholders for receiving the New FSX Shares and the SpinCo Shares.

"**Management Share Issuances**" has the meaning ascribed thereto under "*Summary - SpinCo Following the Arrangement*".

"**Meeting**" means the annual and special meeting of Shareholders to be held on November 13, 2020, and any adjournment(s) or postponement(s) thereof, held in order to, among other things, consider and, if thought fit, approve the Arrangement.

"**MI 61-101**" means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators.

"**New FSX Shares**" means the new class of common shares without par value which FSX will create and issue to Shareholders as described in Section 3.2 of the Plan of Arrangement and which, will be identical in every relevant respect to the FSX Shares.

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators.

"**Non-Registered Shareholder**" means a beneficial Shareholder whose FSX Shares are registered in the name of an Intermediary and not the name of the beneficial Shareholder.

"**Notice of Hearing of Petition**" means the notice of hearing of petition attached as Schedule E hereto.

"**Notice of Meeting**" means the notice of annual and special meeting in respect of the Meeting.

"**Plan of Arrangement**" means the plan of arrangement of FSX, substantially in the form of Schedule A to the Arrangement Agreement set forth in Schedule C hereto, and any amendments or variations thereto made in accordance with the Plan of Arrangement or upon the direction of the Court in the Final Order.

"**Policy 5.3**" means Policy 5.3 - Acquisitions and Dispositions of Non-Cash Assets of the TSXV Corporate Finance Manual.

"**Policy 5.4"** means Policy 5.4 - Escrow, Vendor Consideration and Resale Restrictions of the TSXV Corporate Finance Manual.

"**Providence Project**" means the tenement applications covering 650 km^2 of prospective territory in Victoria, Australia.

"**Purchase Agreement**" means the purchase agreement to be negotiated and entered into following the Effective Date by SpinCo Sub and Currawong, pursuant to which SpinCo Sub will acquire, among other things, the SpinCo Projects.

"**Record Date**" means the record date for notice of and voting at the Meeting, being fixed as October 2, 2020.

"**Registered Shareholder**" means a registered holder of FSX Shares.

"**Registrar**" means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA.

"**Regulation S**" means Regulation S promulgated under the 1933 Act.

"**Regulation S-K**" means Regulation S-K promulgated under the 1933 Act.

"**SEC**" means the United States Securities and Exchange Commission.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators, accessible at www.sedar.com.

"**Shareholder**" means a holder of FSX Shares at the applicable time.

"**SpinCo**" means Leviathan Gold Ltd., a corporation existing under the laws of the Province of British Columbia.

"**SpinCo Assumed Obligations**" means the obligations of FSX to pay Mercator Gold Australia Pty Ltd. (i) AUD$1 for every ounce of gold or gold equivalent of measured resource, indicated resource or inferred resource within one or more of the tenements comprising the Timor Project and the Avoca Project, which payment shall not exceed a total of AUD$1,000,000 and (ii) AUD$1 for every ounce of gold or gold equivalent ounces produced from the tenements comprising the Timor Project or Avoca Project if there is commercial production on such projects, which payment shall not exceed a total of AUD$1,000,000.

"**SpinCo Board**" means the board of directors of SpinCo, as constituted from time to time.

"**SpinCo CanSub**" means a wholly-owned subsidiary to be incorporated by SpinCo for the purpose of effecting the Amalgamation.

"**SpinCo Option**" means options issuable pursuant to the SpinCo Option Plan.

"**SpinCo Option Plan**" means the proposed stock option plan of SpinCo, substantially in the form attached as Schedule L to this Circular, and which is subject to TSXV and Shareholder approval.

"**SpinCo Option Plan Resolution**" means an ordinary resolution which will be considered by Shareholders to approve the SpinCo Option Plan, the full text of which is set out in Schedule B to this Circular.

"**SpinCo Projects**" means the Avoca and Timor Projects and certain other mineral tenements located in the state of Victoria, Australia.

"**SpinCo Sale Resolution**" means an ordinary resolution which will be considered by Shareholders to approve the sale to SpinCo of the SpinCo Projects, the full text of which is set out in Schedule B to this Circular.

"**SpinCo Shares**" means common shares in the capital of SpinCo.

"**SpinCo Sub**" means Leviathan Gold (Australia) Pty Ltd., a wholly-owned subsidiary of SpinCo.

"**Timor and Avoca Technical Report**" means the technical report prepared for the benefit of SpinCo after completion of the Arrangement, the Amalgamation and the transactions contemplated by the Purchase Agreement effectively dated August 10, 2020 by Stuart Hutchin of Mining One Pty Ltd.

"**Timor Project**" means the tenement issued under EL6278 located in the State of Victoria, Australia.

"**TSXV**" means the TSX Venture Exchange Inc.

"**U.S. Tax Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Walhalla Project**" means tenement applications covering 547 km^2 of prospective territory in Victoria, Australia.

QUESTIONS AND ANSWERS

The following briefly addresses some questions Shareholders may have regarding the proposed spin-out of SpinCo by FSX pursuant to the Arrangement, and certain other related matters described in this Circular. These answers are only a summary and are qualified in their entirety by the more detailed information that follows. In addition, they may not address all of the questions that may be important to Shareholders. Accordingly, we urge you to review the more detailed information contained elsewhere in this Circular. Certain capitalized terms used below are defined in the Glossary of Terms. The cross- references included below are to the section identified in this Circular.

To ensure representation of your FSX Shares at the Meeting whether or not you attend the Meeting, please complete, sign and return your proxy form or, if you are not a Registered Shareholder, please refer to question number 7 below for a description of the procedures to be followed to vote your FSX Shares.

1. What do I need to do to ensure that my FSX Shares are voted FOR the Arrangement Resolution and FOR the SpinCo Option Plan Resolution?

There are three ways that you can vote your FSX Shares if you are a Registered Shareholder. You may vote in person at the Meeting, though physical attendance is regretfully discouraged due to the ongoing global COVID-19 pandemic; you may complete and sign the enclosed proxy form appointing the named persons or some other person you choose to represent you and vote your FSX Shares at the Meeting; or you may vote via the Internet or telephone by following the instructions provided on the form of proxy.

If you wish to vote in person at the Meeting, you do not need to complete or return the proxy form. Your vote will be taken and counted at the Meeting. Even if you plan to attend the Meeting, you may find it convenient to express your views in advance by completing and returning the proxy form. Completing, signing and returning your proxy form does not preclude you from attending the Meeting in person nor will it limit your right to vote in person if you attend the Meeting. We encourage all shareholders to vote by proxy or other means that do not require physical attendance.

If you do not wish to attend the Meeting or do not wish to vote in person, your proxy will be voted for or against the resolutions in accordance with your instructions as specified thereon on any ballot that may be called at the Meeting. In the absence of such instructions, your FSX Shares will be voted FOR: (a) the approval of the Arrangement Resolution; (b) the approval of the SpinCo Option Plan Resolution; (c) the approval of the SpinCo Sale Resolution, (d) the election of those individuals listed herein as proposed directors of FSX; (e) to approve the FSX Option Plan; and (f) to appoint BDO Canada LLP as auditors of the Corporation for the ensuing year. A proxy must be in writing and must be executed by the Registered Shareholder or by the Registered Shareholder's attorney authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

If you are a Registered Shareholder and wish to exercise your right to dissent in respect of the Arrangement, you must deliver a written objection to the Arrangement Resolution to FSX (at the Corporation's registered office, which is located at Suite 704 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5, Attention: Chief Executive Officer, at or prior to 9:30 a.m. (Vancouver time) on the second business day immediately preceding the date of the Meeting (or any adjournment(s) or postponement(s) thereof). Any failure to strictly comply with the dissent procedures set out in the Circular may result in the loss of or failure to exercise your right of dissent. See "**Dissent Rights**".

If your FSX Shares are not registered in your name, but are instead registered in the name of a broker, intermediary or nominee, refer to question number 7 for voting instructions.

2. Who is entitled to vote at the Meeting?

Shareholders as of the close of business on October 2, 2020, or their duly appointed proxies will be entitled to attend the Meeting or register to vote.

3. **What do I do with my completed form of proxy?**

Return the completed, dated and signed form of proxy in the enclosed envelope or otherwise to the Corporation's registrar and transfer agent addressed to Computershare: Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, ON, M5J 2Y1 or fax a copy of the completed, signed and dated proxy form to Computershare at 1-866-249-7775 so that it arrives not later than 9:30 a.m. (Vancouver time) on November 11, 2020 (unless such proxy submission deadline is waived by the Board), or, if the Meeting is adjourned or postponed, not later than 5:00 p.m. (Vancouver time) on the day which is two business days preceding the date of the adjourned or postponed Meeting. As well, Registered Shareholders and Non-Registered Shareholders who received these materials through Computershare may vote via the Internet or by telephone by following the instructions provided on the form of proxy. A control number is provided on the proxy form for this purpose. All FSX Shares represented by a properly executed proxy received by Computershare prior to such time will be voted in accordance with your instructions as specified in the proxy, on any ballot that may be called at the Meeting.

4. **How will my FSX Shares be voted if I return my proxy?**

The persons named in the form of proxy will vote your FSX Shares in accordance with your instructions. In the absence of such instructions, however, your FSX Shares will be voted FOR the Arrangement Resolution, FOR the SpinCo Option Plan Resolution, FOR the SpinCo Sale Resolution and FOR the election of James Hutton, Bryan Slusarchuk, Robert McMorran, Neil "Rex" Motton, John Lewins, Charles Hethey, and Liza Gazis as directors of FSX, FOR the appointment of BDO Canada LLP as FSX's auditors for the ensuing year and FOR the approval of the FSX Option Plan.

5. **If I change my mind, can I take back my proxy once I have given it?**

Yes. A Registered Shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the Registered Shareholder or by the Registered Shareholder's attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the Registered Shareholder or by the Registered Shareholder's attorney, who is authorized in writing, to or at the registered office of the Corporation not later than 9:30 a.m. (Vancouver time) on November 11, 2020 or, if the Meeting is adjourned or postponed, not later than 5:00 p.m. (Vancouver time) on the day which is two Business Days preceding the date of the adjourned or postponed Meeting, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof.

Note that the participation by a Registered Shareholder in a vote by ballot at the Meeting would automatically revoke any proxy that has been previously given by the Registered Shareholder in respect of business covered by that vote.

A Non-Registered Shareholder who received these materials through an Intermediary should follow the instructions provided by the Intermediary.

6. **How can I contact FSX's transfer agent?**

Computershare Investor Services Inc.
510 Burrard Street, 3rd Floor
Vancouver, B.C. Canada V6C 3B9
Phone: 1-514-982-7555 or Toll-free at 1-800-564-6253
Online: https://www.computershare.com/service

7. **If my FSX Shares are not registered in my name but are held in the name of an Intermediary (a bank, trust company, securities broker, trustee or otherwise), how do I vote my FSX Shares?**

If you are a Non-Registered Shareholder who received these materials through Computershare, then follow the instructions set out in question number 3 above.

If you are a Non-Registered Shareholder who did not receive these materials through Computershare, there are, as discussed in the Circular, two ways that you can vote your FSX Shares held by your Intermediary. Applicable securities laws require your Intermediary to seek voting instructions from you in advance of the Meeting.

Accordingly, you will receive or have already received from your Intermediary either a request for voting instructions or a proxy form for the number of FSX Shares you own. Every Intermediary has its own signing and return instructions, which should be carefully followed by Non-Registered Shareholders to ensure that their FSX Shares are voted at the Meeting. Accordingly, for your FSX Shares to be voted for you, please follow the voting instructions provided by your Intermediary.

However, if you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions or proxy form to appoint yourself as proxyholder and follow the signing and return instructions of your Intermediary. Non-Registered Shareholders who appoint themselves as proxyholders should, at the Meeting, present themselves to a representative of Computershare. Do not otherwise complete the form sent to you as your vote will be taken and counted at the Meeting.

See "*General Voting Information*".

8. **Why is the Arrangement being proposed?**

With a view to enhancing Shareholder value, FSX is proposing to separate into two public companies. FSX will continue as a growth-oriented gold company that will own and operate the Core Properties and SpinCo will own and operate the SpinCo Projects. The Board is recommending the Arrangement for, among others, the following reasons:

- providing Shareholders with enhanced value by creating independent investment opportunities in a growth-oriented gold company and allowing SpinCo to focus on the SpinCo Projects;
- providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans;
- enabling investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company;
- enabling each company to pursue independent growth and capital allocation strategies;
- allowing each company to be led by experienced executives and directors who have experience exploring and developing mining assets; and
- allowing the reorganization to occur on a tax-deferred basis for Shareholders resident in Canada who hold their FSX Shares as capital property.

See "**The Arrangement – Reasons for the Arrangement**".

9. **What approvals are required for the Arrangement to become effective?**

For the Arrangement to proceed, the Arrangement Resolution must be approved by at least 66⅔% of the votes cast by Shareholders present in person or by proxy and entitled to vote at the Meeting. To the knowledge of FSX, no votes will be excluded from the "majority of the minority" vote required by applicable Canadian securities laws.

As well as the necessary Shareholder approval, the principal approval required will be that of the Court, which, under the BCBCA, must approve the Arrangement. It is expected that, assuming the requisite Shareholder approval is received at the Meeting, the hearing of the Court on the Arrangement will be held on November 17, 2020 at 9:45 a.m. (Vancouver time) or as soon thereafter as possible by the Supreme Court of British Columbia in Vancouver, British Columbia. The petition to the Court setting out the relief sought in connection with the Final Order and the Notice of Hearing of Petition are included herein as Schedule D and Schedule E. In addition, the approval of the TSXV for the Arrangement and related transactions are conditions to the completion of the Arrangement.

The completion of the Arrangement is also subject to other customary conditions. See "**The Arrangement – Conditions to the Arrangement**".

10. **What are the tax consequences to me if the Arrangement is effected?**

A Shareholder (other than a Dissenting Shareholder) who is resident in Canada and exchanges FSX Shares for New FSX Shares and SpinCo Shares pursuant to the Arrangement will be deemed to have received a taxable dividend equal to the amount, if any, by which the aggregate fair market value of the SpinCo Shares distributed to the Shareholder pursuant to the Share Exchange at the time of the Share Exchange exceeds the "**paid-up capital**" (as defined in the Tax Act) of the Shareholder's FSX Shares determined at that time. However, FSX expects that the aggregate fair market value of all SpinCo Shares distributed pursuant to the Share Exchange under the Arrangement will not exceed the paid-up capital of the FSX Shares. Accordingly, FSX does not expect that any Shareholder will be deemed to receive a taxable dividend on the Share Exchange.

A Shareholder (other than a Dissenting Shareholder) who is resident in Canada and exchanges FSX Shares for New FSX Shares and SpinCo Shares on the Share Exchange will also realize a capital gain equal to the amount, if any, by which the aggregate fair market value of those SpinCo Shares at the effective time of the Share Exchange, less the amount of any taxable dividend deemed to be received by the Shareholder as described in the preceding paragraph, exceeds the "**adjusted cost base**" (as defined in the Tax Act) of the Shareholder's FSX Shares determined immediately before the Share Exchange.

In general, a Shareholder (other than a Dissenting Shareholder) who is not a resident of Canada for the purpose of the Tax Act and who holds his or her FSX Shares as capital property will not be subject to tax under the Tax Act solely as a result of the consummation of the Arrangement.

For a more detailed description of the Canadian federal income tax consequences to Shareholders as a result of the Arrangement, see the section of the Circular entitled "**Certain Canadian Federal Income Tax Considerations**". Shareholders should consult their own tax advisors with respect to their particular circumstances.

11. **When is the Arrangement likely to occur?**

It is presently anticipated that, if all required approvals are obtained and other conditions fulfilled, the Arrangement will become effective within five business days after the hearing date for the Final Order, which is expected to occur on November 17, 2020. The Board may, however, decide to delay or not to proceed with the Arrangement, even if all required approvals and consents are obtained.

12. **If the Arrangement is effected, what do Shareholders receive?**

Following the Effective Date, participating Shareholders will receive, for each FSX Share held, one New FSX Share and one SpinCo Share. See "**The Arrangement – Proposed Timetable for the Arrangement**".

Any Shareholder who duly exercises Dissent Rights and, following the dissent process under the BCBCA, is ultimately entitled to be paid the fair value for his, her or its FSX Shares will instead be entitled to the fair value of such shares and will not receive New FSX Shares or SpinCo Shares. See "**Dissent Rights**".

13. **If the Arrangement is effected, what do Shareholders need to do in order to receive the New FSX Shares and SpinCo Shares to which they are entitled?**

Concurrently with the mailing of the Circular, FSX will mail the Letter of Transmittal to Registered Shareholders, which will be used to exchange their certificates representing FSX Shares for share certificates representing the New FSX Shares and certificates representing the SpinCo Shares. Until exchanged, each certificate representing FSX Shares will, after the Effective Time, represent only the right to receive, upon surrender, New FSX Shares and SpinCo Shares.

Pursuant to the Plan of Arrangement, Registered Shareholders who fail to submit a duly completed Letter of Transmittal and all other documents required by the Depositary and surrender their FSX Shares within two years of the Effective Time will no longer have the right to receive New FSX Shares and SpinCo Shares and will not receive any compensation in lieu thereof.

14. **Will there be any restrictions on the SpinCo Shares issued to Shareholders?**

The SpinCo Shares will be subject to the following restrictions on resale/transfer:

(a) 25% will be restricted for four months from the Effective Date;

(b) 25% will be restricted for eight months from the Effective Date;

(c) 25% will be restricted for twelve months from the Effective Date; and

(d) the final 25% will be restricted for sixteen months from the Effective Date.

Accordingly, Shareholders will not be able to trade any of the SpinCo Shares until four months following the Effective Date and the trading in the SpinCo shares will be constrained until sixteen months from the Effective Date. No such restrictions will apply to the SpinCo Shares to be received in connection with the Amalgamation by those subscribers holding Finco securities issued in connection with the Finco Financing.

15. **Will the SpinCo Shares be listed on a stock exchange following the Effective Date of the Arrangement?**

No, the SpinCo Shares will not be listed on any stock exchange following the Effective Date of the Arrangement. It is a condition to the completion of the Amalgamation that (i) the Finco Financing is completed, (ii) SpinCo enters into the Purchase Agreement, and (iii) SpinCo obtains a listing on the TSXV. Until the Amalgamation and the aforementioned events occur, SpinCo will be a reporting issuer in the provinces of British Columbia and Alberta but will not have any liquid trading market nor will SpinCo own any assets. Accordingly, the value of SpinCo will be dependent on the successful completion of the Amalgamation and the aforementioned events occurring.

The terms of the Finco Financing and the terms of the Purchase Agreement have not yet been finalized and will be determined and settled in the context of the market. SpinCo intends to pay cash consideration of AUD$764,081 under the Purchase Agreement with such cash consideration to be funded from either (i) the proceeds of the Finco Financing or (ii) a loan from the Corporation and assume the SpinCo Assumed Obligations. The Corporation will issue a press release once details on the Finco Financing and Purchase Agreement are known.

Accordingly, any listing of the SpinCo Shares will occur after the Effective Date. There is no assurance that such listing will occur or that the Finco Financing or Purchase Agreement will be completed.

16. **Are any TSXV approvals required?**

The approval of the TSXV is required in connection with each of the Arrangement and the transactions contemplated by the Purchase Agreement. Neither FSX nor Leviathan Gold Ltd. may proceed with the Arrangement or the transactions contemplated by the Purchase Agreement unless the approval of the TSXV is obtained in respect of the applicable transaction.

17. **Who should I contact if I have questions regarding the Arrangement?**

Answers to many of your questions may be found in the accompanying Circular. In addition, you may wish to consult your financial, tax and/or legal advisors or FSX's transfer agent, Computershare**,** at 1-800-564-6253.

SUMMARY

*The following is a summary of the principal features of the Arrangement and certain other matters and should be read together with the more detailed information and financial statements contained elsewhere in this Circular, including the schedules hereto. Capitalized terms not otherwise defined in this summary are defined in the Glossary of Defined Terms or elsewhere in this Circular. This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Circular. Unless otherwise indicated, all references to dollars or "**$**" are to Canadian dollars.*

THE MEETING

FSX has fixed October 2, 2020 as the record date for determining the Shareholders entitled to receive notice of and vote at the Meeting. The Meeting will be held at the offices of Fasken Martineau DuMoulin LLP, 550 Burrard Street Suite 2900, Vancouver, British Columbia, at 9:30 a.m. (Vancouver time) to consider the following matters:

(a) the election of directors of FSX for the ensuing year;

(b) the appointment of FSX's auditors for the ensuing year and authorizing its directors to fix the auditors' remuneration;

(c) approving FSX's stock option plan;

(d) the Arrangement Resolution;

(e) the SpinCo Sale Resolution; and

(f) subject to the approval of the Arrangement Resolution, approval of the SpinCo Option Plan.

By passing the Arrangement Resolution and the SpinCo Sale Resolution, Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause FSX to complete the Arrangement and Purchase Agreement in the event of any variation of, or amendments to, the Arrangement Agreement or Plan of Arrangement or Purchase Agreement without any requirement to seek or obtain any further approval of the shareholders.

For further information on voting FSX Shares at the Meeting, see the section entitled "**General Voting Information**". For a description of the SpinCo Option Plan, please refer to Schedule H or the full text of the SpinCo Option Plan in Schedule L.

THE ARRANGEMENT

The purpose of the Arrangement and the related transactions is to reorganize FSX into two separate publicly- traded companies: (a) FSX, a growth-oriented gold mining company that will own and operate the Core Properties; and (b) SpinCo, which will focus on the SpinCo Projects. The Arrangement will result in, among other things, participating Shareholders holding, immediately following completion of the Arrangement, one New FSX Share and one SpinCo Share for each FSX Share held on the Effective Date. For a summary of the steps of the Arrangement and related transactions, see the section entitled "**The Arrangement – Details of the Arrangement**".

REASONS FOR THE ARRANGEMENT

The Board believes that the separation of the SpinCo Projects from FSX's core gold-focused Core Properties into two separate publicly-traded companies will provide a number of benefits to Shareholders, including: providing Shareholders with enhanced value by creating independent investment opportunities in two growth-oriented gold mining companies, which management of FSX expects will unlock value of its highly prospective gold deposits; providing Shareholders with ownership of each company at the closing of the Arrangement; the Finco Financing is expected to provide sufficient scale for SpinCo to operate as a standalone public company upon completion of the Amalgamation and the transactions contemplated by the Purchase Agreement; providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans; enabling investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company; enabling each company to pursue independent growth and capital

allocation strategies; allowing each company to be led by experienced executives and directors who have experience exploring and developing mining assets; and allowing the reorganization to occur on a tax-deferred basis for Shareholders resident in Canada who hold their FSX Shares as capital property.

See further details under the section entitled "**The Arrangement – Reasons for the Arrangement**".

RECOMMENDATION OF THE BOARD

The Board, having reviewed the Plan of Arrangement and related transactions and considered among other things the reasons for the Arrangement, has unanimously determined that the Arrangement is in the best interests of FSX and the Shareholders. **The Board has unanimously approved the Arrangement and the transactions contemplated thereby, and unanimously recommends that Shareholders vote FOR the Arrangement Resolution and, subject to approval of the Arrangement Resolution, FOR the SpinCo Option Plan Resolution.**

See further details under the section entitled "***The Arrangement – Recommendation of the Board***".

FAIRNESS OF THE ARRANGEMENT

The Arrangement was determined to be fair to the Shareholders by the Board based upon the following factors, among others:

- the procedures by which the Arrangement will be approved, including the requirement for at least 66⅔% Shareholder approval at the Meeting and approval by the Court after a hearing at which the fairness of the Arrangement will be considered;
- each Shareholder (other than Dissenting Shareholders) who participates in the Arrangement will hold, upon completion of the Arrangement, one New FSX Share and one SpinCo Share for each FSX Share held by such Shareholder in FSX immediately prior to the Arrangement;
- the fairness opinion provided by Clarus Securities Inc., attached as Schedule M hereto; and
- the opportunity for Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to exercise Dissent Rights under the BCBCA, as modified by the Interim Order.

See further details under the section entitled "**The Arrangement – Fairness of the Arrangement**".

CONDITIONS TO CLOSING

The Arrangement will be subject to the satisfaction or waiver, as applicable, of certain conditions, including the following:

- the Arrangement Resolution must be approved by at least 66⅔% of the votes cast by Shareholders present, in person or by proxy, and entitled to vote at the Meeting in accordance with the Interim Order;
- the Arrangement must be approved by the Court and the Final Order obtained in form and substance satisfactory to FSX;
- the TSXV must have approved the Arrangement; and
- all other consents, orders and approvals that are required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form acceptable to FSX.

See further details under the section entitled "**The Arrangement – Conditions to the Arrangement**".

COURT APPROVAL

An arrangement under the BCBCA requires approval of the Court. Prior to mailing this Circular, FSX obtained the Interim Order, which provides for the calling and holding of the Meeting, Dissent Rights and certain other

procedural matters. Copies of the petition to the Court, the Notice of Hearing of Petition, and the Interim Order are attached as Schedule D, Schedule E, and Schedule F, respectively.

Subject to the approval of the Arrangement Resolution by Shareholders at the Meeting, the hearing for the Final Order is currently scheduled to take place on November 17, 2020 at 9:45 a.m. (Vancouver time) or as soon thereafter as possible at the Court located at 800 Smithe Street, Vancouver, British Columbia, or by telephone or video conference hearing as determined by the Corporation or directed by the Court. At the hearing, any Shareholder or other interested party who wishes to participate or be represented or present arguments or evidence at the hearing of the application for the Final Order must file with the Court and serve on the Corporation, by service upon counsel, Fasken Martineau DuMoulin LLP, 2900 – 550 Burrard Street, Vancouver, British Columbia, Attention: Tracey Cohen, a response to petition in the form required by the British Columbia Supreme Court Civil Rules (a "**Response to Petition**") and any additional affidavits or other materials upon which any such person intends to rely, on or before 9:00 a.m. (Vancouver time) on date or as provided in the Interim Order. Only those persons who file a Response to Petition as required herein will be provided with notice of the materials filed by the Corporation in support of the application for the Final Order. Such persons should consult with their legal advisors as to the necessary requirements.

See further details under the section entitled "**The Arrangement – Court Approval of the Arrangement**".

EFFECTIVE DATE

Upon receipt of the Final Order, FSX will announce by news release the proposed Effective Date of the Arrangement.

STOCK EXCHANGE LISTINGS

The FSX Shares are currently listed and traded on the TSXV under the symbol "**FSX**". FSX will announce the symbol under which the New FSX Shares will trade prior to the Effective Date.

It is a condition to the completion of the Amalgamation that the SpinCo Shares are approved for listing on the TSXV. SpinCo intends to apply to list the SpinCo Shares on the TSXV. Listing of the SpinCo Shares on the TSXV will be subject to satisfying all of the TSXV's initial listing requirements.

FSX FOLLOWING THE ARRANGEMENT

Following completion of the Arrangement, FSX will continue to own and operate the Core Properties, and operate as a growth-oriented gold-focused mineral exploration company. FSX will announce the symbol under which the New FSX Shares will trade prior to the Effective Date.

SPINCO FOLLOWING THE ARRANGEMENT

SpinCo will be a reporting issuer following the Effective Date of the Arrangement but will not own the SpinCo Projects until the completion of the transactions contemplated by the Purchase Agreement, which is expected to occur after the Effective Date.

SpinCo CanSub and Finco intend to undertake the Amalgamation following the Effective Date. It is a condition to the completion of the Amalgamation that (i) the Finco Financing is completed, (ii) SpinCo enters into the Purchase Agreement, and (iii) SpinCo is approved for listing on the TSXV. Accordingly, any listing of the SpinCo Shares will occur after the Effective Date. SpinCo intends to apply to list the SpinCo Shares on the TSXV. Listing of the SpinCo Shares on the TSXV will be subject to satisfying all of the TSXV's initial listing requirements. In connection with the Amalgamation, each holder of Finco shares will receive one share of SpinCo for each share of Finco held.

Until the Amalgamation and the aforementioned events occur, SpinCo will be a reporting issuer in the provinces of British Columbia and Alberta but will not have any liquid trading market nor will SpinCo own any assets. Accordingly, the value of SpinCo will be dependent on the successful completion of the Amalgamation and the aforementioned events occurring.

The terms of the Finco Financing and the terms of the Purchase Agreement have not yet been finalized and will be determined and settled in the context of the market. SpinCo intends to pay cash consideration of AUD$764,081 under the Purchase Agreement with such cash consideration to be funded from either (i) the proceeds of the Finco Financing or (ii) a loan from the Corporation and SpinCo will assume the SpinCo Assumed Liabilities. The Corporation will issue a press release once details on the Finco Financing and Purchase Agreement are known.

There is no assurance that such listing will occur or that the Finco Financing or Purchase Agreement will be completed.

The proposed board of directors of SpinCo includes Luke Norman, Robert Schafer, Jonathan Richards, Krisztian Toth, and Russel Starr. The management team is expected to consist of Luke Norman (Chairman and Chief Executive Officer) and Jonathan Richards (Chief Financial Officer). Prior to the date of the Amalgamation, Finco will issue a total of 6,000,000 common shares in the capital of Finco to its management team, which management team will become the management team of SpinCo upon completion of the Amalgamation (the "**Management Share Issuances**"). The SpinCo Shares to be received in exchange for the Finco shares issued pursuant to the Management Share Issuances will be subject to the more restrictive of either the same restrictions on resale or transfer as imposed on the Shareholders pursuant to the Arrangement or the escrow requirements, if any, imposed by any applicable stock exchange on which the SpinCo Shares are listed.

FOR A DETAILED DESCRIPTION OF SPINCO FOLLOWING THE COMPLETION OF THE ARRANGEMENT, SEE SCHEDULE H.

DISTRIBUTION OF SHARE CERTIFICATES

Concurrently with the mailing of this Circular, FSX will mail the Letter of Transmittal to Registered Shareholders, which will be used to exchange their certificates representing FSX shares for share certificates representing New FSX Shares and SpinCo Shares. Every one FSX Share will be exchange for one New FSX Share and one SpinCo Share. Until exchange, each certificate representing FSX Shares will, after the Effective Time, represent only the right to receive, upon surrender, New FSX Shares and SpinCo Shares. Any fractional shares issuable pursuant to the Arrangement will be rounded down to the nearest whole number without any compensation in lieu thereof.

Shareholders who fail to submit their certificates representing FSX Shares together with a duly completed Letter of Transmittal and any other documents required by the Depositary on or before the second anniversary of the Effective Date will cease to have any right or claim against or interest of any kind or nature in FSX or SpinCo. Accordingly, persons who tender certificates for FSX Shares after the second anniversary of the Effective Date will not receive any New FSX Shares or SpinCo Shares, will not own any interest in FSX or SpinCo and will not be paid any cash or other compensation in lieu thereof.

DISSENT RIGHTS

Registered Shareholders are entitled to exercise Dissent Rights by providing written notice to FSX at or before 9:30 a.m. (Vancouver time) on November 10, 2020 (or on the Business Day that is two Business Days immediately preceding any adjourned or postponed Meeting) in the manner described under the heading "**Dissent Rights**". If a Registered Shareholder exercises Dissent Rights in strict compliance with the BCBCA and Interim Order and the Arrangement is completed, such Dissenting Shareholder is entitled to be paid the "fair value" of the FSX Shares with respect to which Dissent Rights were exercised, as calculated immediately before the passing of the Arrangement Resolution. Only Registered Shareholders are entitled to exercise Dissent Rights. Shareholders should carefully read the section of this Circular entitled "**Dissent Rights**" and consult with their advisors if they wish to exercise Dissent Rights.

CANADIAN SECURITIES LAWS MATTERS

The distribution of securities of FSX and SpinCo to Shareholders pursuant to the Arrangement will be made pursuant to exemptions from the prospectus requirements contained in applicable provincial securities legislation in Canada. The New FSX Shares will generally not be subject to any "restricted" or "seasoning" period under applicable Canadian securities legislation, but will be subject to contractual restrictions on resale of transfer. See further details under the sections entitled "**Contractual Restrictions or Transfer**" in this summary below and

"**Certain Securities Law Matters – Canadian Securities Laws**", and "**Escrowed Securities and Securities Subject to Contractual Restriction on Transfers**" in Schedule H.

UNITED STATES SECURITIES LAWS MATTERS

The New FSX Shares and SpinCo Shares to be distributed pursuant to the Arrangement will not be registered under the 1933 Act or the securities laws of any state of the United States and will be distributed in reliance upon the exemption from registration provided by Section 3(a)(10) of the 1933 Act and available exemptions from applicable state registration requirements. The New FSX Shares and SpinCo Shares will generally not be subject to resale restrictions under U.S. federal securities laws for persons who are not affiliates of FSX or SpinCo following the Arrangement or within 90 days prior to the Arrangement, but will be subject to contractual restrictions on resale of transfer. See further details under the sections entitled "**Contractual Restrictions or Transfer**" in this summary below and "**Certain Securities Law Matters – United States Securities Laws**", and under the section entitled "**Escrowed Securities and Securities Subject to Contractual Restriction on Transfers**" in Schedule H.

CONTRACTUAL RESTRICTIONS ON RESALE OR TRANSFER

The SpinCo Shares will be subject to the following restrictions on resale/transfer:

(a) 25% will be restricted for four months from the Effective Date;

(b) 25% will be restricted for eight months from the Effective Date,

(c) 25% will be restricted for twelve months from the Effective Date; and

(d) the final 25% will be restricted for sixteen months from the Effective Date.

The certificates or other evidence representing SpinCo shares will bear legends or be identified by restricted CUSIP numbers evidencing such contractual restrictions on resale or transfer, and instructions may be provided to the Corporation's transfer agent to enforce such restrictions on transfer. No such restrictions will apply to the SpinCo Shares to be received in connection with the Amalgamation by those subscribers holding Finco securities issued in connection with the Finco Financing.

CERTAIN CANADIAN INCOME TAX CONSIDERATIONS

A summary of certain Canadian federal income tax considerations for Shareholders who participate in the Arrangement is set out under the heading "**Certain Canadian Federal Income Tax Considerations**".

Shareholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regards to their particular circumstances.

RISK FACTORS

Shareholders should be aware that there are various known and unknown risk factors in connection with the Arrangement and the ownership of New FSX Shares and SpinCo Shares following the completion of the Arrangement. Shareholders should carefully consider the risks identified in this Circular under the heading "**The Arrangement – Risk Factors Relating to the Arrangement**" and under the heading "**Risk Factors**" in Schedule H before deciding whether or not to approve the Arrangement Resolution.

GENERAL VOTING INFORMATION

PERSONS MAKING THIS SOLICITATION OF PROXIES

This Circular is provided in connection with the solicitation by management of the Corporation of proxies ("Proxies") from the holders of FSX Shares in respect of the annual and special meeting of shareholders of the Corporation to be held at the time, location and place and for the purposes set out in the accompanying Notice of Meeting.

Although it is expected that the solicitation of Proxies will be primarily by mail, Proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to forward the Corporation's proxy solicitation materials to the beneficial owners of the Common Shares held of record by such parties. The Corporation may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of Proxies will be borne by the Corporation.

APPOINTMENT OF PROXYHOLDERS AND COMPLETION AND REVOCATION OF PROXIES

The purpose of a Proxy is to designate persons who will vote the Proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the Proxy. The persons named in the enclosed Proxy (the "**Management Designees**") have been selected by the directors of the Corporation.

A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent them at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of Proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as Proxyholder and provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with them to the Meeting. To be valid, the Proxy must be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy).

REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Given the ongoing global COVID-19 pandemic and associated social distancing protocols, management encourages all Registered Shareholders to vote by proxy. Registered Shareholders electing to submit a Proxy may do so by:

(a) completing, dating and signing the enclosed form of Proxy and returning it to Computershare at Computershare, Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, ON, M5J 2Y1;

(b) faxing a copy of the completed, signed and dated form of Proxy to Computershare at 1-866-249-7775, attention Proxy Department;

(c) using a touch-tone phone to transmit voting choices by calling 1-866-732-8683 toll-free in North America or 1-312-588-4290 outside North America and following the instructions of the voice response system and referring to the enclosed proxy form for the holder's account number and proxy access number; or

(d) using the internet through Computershare's website at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used. Proxies received after that time may be

accepted by the Chairman of the Meeting in the Chairman's discretion, and the Chairman is under no obligation to accept late Proxies.

BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance as many shareholders do not hold Common Shares in their own name.

Only shareholders whose names appear on the records of the Corporation as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are Non-Registered Shareholders, because the shares they own are not registered in their names but instead registered in the name of an Intermediary, including a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as the Canadian Depository for Securities Limited and the Depository Trust Company. If you purchased your shares through a broker, you are likely a Non-Registered Shareholder.

In accordance with applicable securities regulation, the Corporation has distributed copies of the Meeting materials, being the Notice of Meeting, this Circular and the form of proxy, to Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting materials to Non-Registered Shareholders to seek their voting instructions in advance of the Meeting. Shares held by Intermediaries can only be voted in accordance with the instructions of the Non-Registered Shareholder. The Intermediaries often have their own voting instruction form instead of a proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from your Intermediary in order that your shares are voted at the Meeting.

If you, as a Non-Registered Shareholder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Intermediary and you should return the form to the Intermediary in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting. Given the ongoing global COVID-19 pandemic, all shareholders are discouraged from physically attending the Meeting, and are strongly encouraged to vote by proxy or other means that does not require physical attendance at the meeting (internet or telephone voting).

There are two kinds of Non-Registered Shareholders – those who object to their identity being made known to the issuers of securities which they own (called "**OBOs**", for Objecting Beneficial Owners) and those who do not (called "**NOBOs**", for Non-Objecting Beneficial Owners).

NON-OBJECTING BENEFICIAL OWNERS

The Corporation is relying on the provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form ("**VIF**") from Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs they receive. These securityholder materials are being sent to both registered and non-registered owners of the FSX Shares. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address, and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) carrying out your voting instructions. Please return your VIF as specified in the request for voting instructions sent to you.

Objecting Beneficial Owners

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting. The form of proxy supplied to you by your broker will be similar to the Proxy

provided to Registered Shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge in the United States and in Canada. Broadridge mails a VIF in lieu of the form of proxy provided by the Corporation. The VIF will name the same persons as the Corporation's Proxy to represent your shares at the Meeting. You have the right to appoint a person (who need not be a Shareholder, and who can be yourself), other than any of the persons designated in the VIF, to represent your shares at the Meeting. To exercise this right, insert the name of the desired representative, who may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile, or provided to Broadridge by phone or over the internet, in accordance with its instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting and the appointment of any Shareholder's representative. If you receive a VIF from Broadridge, it must be completed and returned to Broadridge in accordance with its instructions, well in advance of the Meeting in order to have your shares voted or to have an alternate representative duly appointed to attend and vote your shares at the Meeting.

VOTING OF PROXIES

The Board of Directors has set October 2, 2020 as the record date for determining the Shareholders entitled to receive notice of and vote at the Meeting. Voting at the Meeting will be by a show of hands, each registered shareholder and each Proxyholder (representing a registered or unregistered shareholder) having one vote, unless a poll is required or requested, whereupon each such shareholder and Proxyholder is entitled to one vote for each Common Share held or represented, respectively. Each Shareholder may instruct their Proxyholder how to vote their Common Shares by completing the blanks on the Proxy. All Common Shares represented at the Meeting by properly executed Proxies will be voted or withheld from voting when a poll is required or requested and, where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, the Common Shares represented by the Proxy will be voted in accordance with such specification. In the absence of any such specification as to voting on the Proxy, the Management Designees, if named as Proxyholder, will vote in favour of the matters set out therein.

The enclosed Proxy confers discretionary authority upon the Management Designees, or other person named as Proxyholder, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. If other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of the Corporation.

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**") unless the motion requires a "special resolution" in which case a majority of 66⅔% of the votes cast will be required.

REVOCATION OF PROXIES

Any Registered Shareholder who has returned a Proxy may revoke it at any time before it has been exercised. A Proxy may be revoked by a Registered Shareholder personally attending at the Meeting and voting their shares. A shareholder may also revoke their Proxy in respect of any matter upon which a vote has not already been cast by depositing an instrument in writing, including a Proxy bearing a later date executed by the registered shareholder or by their authorized attorney in writing, or, if the shareholder is a company, under its corporate seal by an officer or attorney thereof duly authorized, either at the office of the Corporation's registrar and transfer agent at the foregoing address or the head office of the Corporation at Suite 880, 580 Hornby Street, Vancouver, British Columbia V6C 3B6 at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the Proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting, or any adjournment thereof. Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediary to revoke the Proxy on their behalf.

QUORUM

The Articles of the Corporation provide that a quorum for the transaction of business at any meeting of shareholders is one or more shareholders present in person or represented by Proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of FSX Shares. As at the close of business on October 8, 2020 (being the date immediately prior to the date of this Circular), there were 65,764,157 FSX Shares issued and outstanding. Holders of FSX Shares are entitled to one vote for each FSX Share held.

To the knowledge of the directors and Executive Officers (as hereinafter defined in "**Executive Compensation – Compensation of Executive Officers**") of the Corporation, no person, firm or company beneficially owned, controlled or directed, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation as at the Record Date.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee of management of the Corporation for election as a director of the Corporation and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors, the appointment of auditors or the approval of FSX's stock option plan or approval of the SpinCo Option Plan.

ELECTION OF DIRECTORS

The directors of the Corporation are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will voted for the nominees herein listed.

Shareholders previously fixed the number of directors of the Corporation at six**.**

Management of the Corporation proposes to nominate the persons listed below for election as directors. Information concerning such persons, as furnished by the individual nominees as at the date of this Circular, is as follows:

Name, Position and Province or State and Country of Residence	**Principal Occupation during the past five years**	**Director or Officer Since[(1)]**	**Number of FSX Shares beneficially owned, or controlled or directed, directly or indirectly[(2)]**
Bryan Slusarchuk British Columbia, Canada *Chief Executive Officer, President and Director*	Chief Executive Officer, President and Director of FSX; Former President and director of K92 Mining Inc.; President and Director of Turmalina Metals Corp. and Director of Southern Empire Resources Corp.	August 8, 2019 Officer since December 12, 2019	2,636,000
James Hutton[(3)] British Columbia, Canada *Chairman and Director*	Chairman and Director of FSX; President of Hutton Capital Corp.; Former Chief Executive Officer and Director of Southern Empire Resources Corp.	Director since July 22, 2019 Chairman since December 12, 2019	5,300,001[(6)]
Neil Motton Victoria, Australia *Chief Operating Officer and Director*	Director and Chief Operating Officer of FSX; Principal consultant for Currawong; Registered Geologist.	Director and Officer since August 8, 2019	3,000,000[(7)]

Name, Position and Province or State and Country of Residence	Principal Occupation during the past five years	Director or Officer Since[1]	Number of FSX Shares beneficially owned, or controlled or directed, directly or indirectly[2]
Robert McMorran[4][5] British Columbia, Canada *Director*	Former Chief Financial Officer and Director of FSX; Former President of Malaspina Consultants Inc.; Chief Financial Officer and director on numerous junior public companies listed on the TSX Venture Exchange and Canadian Securities Exchange.	Director since August 8, 2019	342,500
John Lewins[3] [4] Western Australia *Director*	Chief Executive Officer of K92 Mining Inc. since August 2017; Managing Director of Mining, Processing and Project Consulting Pty.	January 7, 2020	150,000
Charles C. Hethey[3] [4] British Columbia, Canada *Director*	Director of FSX; Senior Partner at O'Neill Law LLP.	August 8, 2019	250,000
Liza Gazis Victoria, Australia *Director*	Mining industry consultant with expertise in geographic information systems and tenement management, with experience in Australian gold properties.	September 3, 2020	Nil

Notes:

(1) All of the directors' appointments expire at the next annual meeting of the shareholders of the Corporation. No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company.

(2) Shares beneficially owned, controlled or directed, directly or indirectly as of the date hereof, based upon information provided to the Corporation by the respective director or officer. Unless otherwise indicated, such shares are held directly.

(3) Member of the audit committee.

(4) Member of the compensation committee.

(5) Mr. McMorran was Chief Financial Officer of the Corporation until his retirement from that position effective as of April 7, 2020, as of which date Mr. McMorran was succeeded in that position by Mr. Jonathan Richards.

(6) Held indirectly through Hutton Capital Corporation.

(7) Held indirectly through FliteGold.

Except as otherwise disclosed, to the knowledge of the Corporation, no proposed director:

(a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Corporation) that:

(i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or

(ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or

(b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The following directors of the Corporation hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer(s)	Exchange
Bryan Slusarchuk	Turmalina Metals Corp.	TSXV
	Southern Empire Resources Corp.	TSXV
Robert McMorran	Farstarcap Investment Corp.	TSXV
	Hello Pal International Inc.	Canadian Securities Exchange
John Lewins	K92 Mining Inc.	TSXV

EXECUTIVE COMPENSATION

GENERAL

The following information is provided as required under Form 51-102F6V for venture Issuers (the "**Form**"), as such term is defined in NI 51-102.

For the purposes of this Form:

"**CEO**" means an individual who acted as chief executive officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

"**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries;

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**named executive officer**" or "**NEO**" means each of the following individuals:

(a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of the Form, for that financial year; and

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year;

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

"**underlying securities**" means any securities issuable on conversion, exchange or exercise of compensation securities.

COMPENSATION DISCUSSION AND ANALYSIS

Significant Elements

The significant elements of compensation for the Corporation's NEOs, being the Chief Executive Officer, the Chief Financial Officer, and the Chief Operating Officer, are a cash salary and stock options. Other than the FSX Option Plan, the Corporation does not presently have a long-term incentive plan for its Named Executive Officers. There is no formal policy or target regarding allocation between cash and non-cash elements of the Corporation's compensation program. The Board annually reviews the total compensation package of each of the Corporation's executives on an individual basis.

Cash Salary

The Corporation's compensation payable to the Named Executive Officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Corporation. In particular, the Chief Executive Officer's compensation is determined by time spent on: (i) the Corporation's mineral properties; (ii) reviewing opportunities for the Corporation to acquire additional mineral properties and negotiating for the acquisition of such mineral properties; and (iii) new business ventures. The Chief Financial Officer's compensation is primarily determined by time spent in preparing and reviewing the Corporation's financial statements.

Stock Options

The FSX Option Plan is intended to emphasize management's commitment to the growth of the Corporation. The grant of stock options, as a key component of the executive compensation package, enables the Corporation to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the FSX Option Plan. In granting stock options, the Board of Directors reviews the total of stock options available under the FSX Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance with the FSX Option Plan.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION, EXCLUDING COMPENSATION SECURITIES

The following table sets forth information about compensation paid to, or earned by, the Corporation's Named Executive Officers and directors during the period from Inception to December 31, 2019.

Table of compensation excluding compensation securities

Name and position	Year	Salary consulting fee, retainer, or commission	Bonus ($)	Committee or meeting fee ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Bryan Slusarchuk CEO and director	2019	10,000	-	-	-	-	10,000
James Hutton Chairman and director	2019	60,000	-	-	-	-	60,000
Robert McMorran CFO and Director[(5)]	2019	Nil	-	-	-	-	Nil
Rex Motton COO and Director	2019	45,000	-	-	-	-	45,000
Charles Hethey Director	2019	Nil	-	-	-	-	Nil
John Lewins Director	2019	Nil	-	-	-	-	Nil

Notes:

(1) Mr. Slusarchuk is paid $10,000 per month for his services as Chief Executive Officer of the Corporation. See "*Executive Compensation - Employment Consulting and Management Agreements".*

(2) Hutton Capital Corporation, a company controlled by Mr. Hutton, is paid $15,000 per month for providing the services of Mr. Hutton as Chairman of the Corporation. See "*Executive Compensation - Employment, Consulting and Management Agreements*".

(3) FliteGold, a company controlled by Mr. Motton, is paid $15,000 per month for providing Mr. Motton's services to the Corporation in the capacity of Chief Operating Officer. Of the $45,000, $30,000 was recorded as geological consulting services provided by Mr. Motton. See *Executive Compensation - Employment, Consulting and Management Agreements*".

(4) Mr. Lewins is paid $2,500 per month for his services as director of the Corporation.

(5) Mr. McMorran resigned as CFO on April 7, 2020, and was succeeded in that position by Mr. Jonathan Richards. He remains a director of the Corporation.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES AND INSTRUMENTS

As at December 31, 2019, the Corporation had not issued any stock options or compensation securities to its Named Executive Officers or directors. As of the date hereof, the Corporation has granted a total of 4,495,000 stock options to its executive officers, directors, employees and consultants, as described in the table below.

Group	Number of Common Shares Reserved Under Option	Exercise Price Per Common Share	Expiry Date
Officers as Group			
Bryan Slusarchuk, CEO	950,000	$0.40	April 14, 2025
Robert McMorran, CFO[(1)]	225,000	$0.40	April 14, 2025
Neil "Rex" Motton, COO	500,000	$0.40	April 14, 2025
Total	**1,675,000**		
Directors as Group			
James Hutton, Chairman	950,000	$0.40	April 14, 2025

Group	Number of Common Shares Reserved Under Option	Exercise Price Per Common Share	Expiry Date
John Lewins	Nil	$0.40	April 14, 2025
Charles Hethey	225,000	$0.40	April 14, 2025
Total	**1,475,000**		
Employee as Group	Nil	N/A	N/A
Consultants as Group	1,345,000	$0.40	Five Years from the Listing Date

Notes:

(1) Mr. McMorran resigned as CFO on April 7, 2020, succeeded in that position by Mr. Jonathan Richards. He remains a director of the Corporation.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

The Corporation entered into a management consulting agreement dated December 1, 2019 with Bryan Slusarchuk whereby Mr. Slusarchuk agreed to act as Chief Executive Officer of the Corporation and, in consideration of which, the Corporation agreed to pay him $10,000 per month. In the event that there is a change of control of the Corporation, Mr. Slusarchuk will be entitled to receive a severance payment equal to twenty-four months of consulting fees.

The Corporation entered into an amended and restated management consulting agreement dated December 1, 2019 with Hutton Capital Corporation whereby Hutton Capital Corporation agreed to provide the services of Mr. Hutton as Chairman of the Corporation and, in consideration of which, the Corporation agreed to pay Hutton Capital Corporation $15,000 per month. In the event that there is a change of control of the Corporation, Hutton Capital Corporation will be entitled to receive a severance payment equal to twenty-four months of consulting fees.

The Corporation entered into a management consulting agreement dated September 1, 2019 with FliteGold whereby FliteGold agreed to provide the services of Mr. Motton as Chief Operating Officer of the Corporation and, in consideration of which, the Corporation agreed to pay FliteGold $15,000 per month.

Except for the severance payments set out in the management consulting agreements with each of Mr. Slusarchuk and Hutton Capital Corporation, there are no management or consulting agreements with any directors or officers of the Corporation that provide for payments to an officer or director, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in a director's or officer's responsibilities.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION

The Corporation's executive compensation program is administered by the Compensation Committee. The Compensation Committee consists of Robert McMorran, Charles Hethey and John Lewins. Except for Robert McMorran, who is the former Chief Financial Officer of the Corporation, all of the members of the Compensation Committee are independent within the meaning of NI 52-110.

The Compensation Committee's responsibilities include reviewing and making recommendations to the Board of Directors with respect to adequacy and the form of compensation to all executive officers and directors of the Corporation, making recommendations to the Board of Directors in respect of granting of stock options to management, directors officers and other employees and consultants of the Corporation, and monitoring the performance of the Corporation's executive officers.

Executive compensation awarded to the named executive officers consists of two components: (i) management fees and (ii) stock options. Other than the FSX Option Plan, the Corporation does not presently have a long-term incentive plan for its named executive officers. There is no policy or target regarding allocation between cash and non-cash elements of the Corporation's compensation program.

In setting compensation rates for NEOs, the Corporation compares the amounts paid to them with the amounts paid to executives in comparable positions at other comparable companies. The Corporation's compensation payable to the named executive officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each named executive officer and varies with the amount of time spent by each named executive officer in carrying out his or her functions on behalf of the Corporation. The grant of stock options, as a key component of the executive compensation package, enables the Corporation to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the FSX Option Plan. In granting stock options, the Board of Directors reviews the total of stock options available under the FSX Option Plan and recommends grants to newly retained executive officers at the time of their appointment and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance to the FSX Option Plan.

Due to the Corporation being a junior mining issuer and having limited financial resources, compensation is not tied to specific performance criteria or goals. The Corporation is unaware of any significant events that have significantly affected compensation of its management team and directors. The Corporation did not make any changes to its compensation polices during or after the fiscal year ended December 31, 2019.

PENSION

The Corporation does not provide any pension benefits for directors or executive officers.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as at the end of the Corporation's most recently completed financial year, information regarding compensation plans under which equity securities are authorized for issuance.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of shares issuable upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of shares remaining available for issuance under equity compensation plans [(1)]
Equity compensation plans approved by shareholders	Nil	Nil	Nil
Equity compensation plans not approved by shareholders	Nil	Nil	Nil

Stock option plans and other incentive plans

The Directors of the Corporation adopted a stock option plan on December 12, 2019 (the "**FSX Option Plan**"). The purpose of the FSX Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees, management company employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire FSX Shares, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs. The FSX Option Plan provides that, subject to the requirements of the TSXV, the aggregate number of securities reserved for issuance will be 10% of the number of the FSX Shares issued and outstanding at the time such options are granted. The FSX Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the FSX Option Plan to such directors, officers, employees, management or consultants of the Corporation and its affiliates, if any, as the Board may from time to time designate. The exercise price of option grants will be determined by the Board, but cannot be less than the closing market price of the FSX Shares on TSXV on the trading day prior to the grant date. The FSX Option Plan provides that the number of FSX Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued FSX Shares, if the individual is a director, officer, employee or consultant, or 1% of the issued FSX Shares, if the individual is engaged in providing investor relations services, in a

twelve month basis, unless disinterested shareholder approval is obtained. All options granted under the FSX Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 30 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the FSX Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or who at any time during the last financial year was, a director or executive officer or employee of the Corporation, a proposed nominee for election as a director of the Corporation or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Corporation or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein and the Corporation's Management's Discussion & Analysis for the last financial year, a copy of which is filed on SEDAR at www.sedar.com and which, upon request, the Corporation will provide free of charge (see "**Additional Information**" below), there are no material interests, direct or indirect, of current directors, Executive Officers, any persons nominated for election as directors, or any Shareholder who beneficially owns, controls or directs, directly or indirectly, more than 10 percent of the outstanding FSX Shares, or any known associates or affiliates of such persons, in any transaction within the most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

Mr. Jonathan Richards, the current CFO of Fosterville, is expected to act as CFO of SpinCo upon completion of the Arrangement. See "**Certain Securities Law Matters – Canadian Securities – Laws – Multilateral Instrument 61-101**".

CORPORATE GOVERNANCE

National Policy 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian securities administrators requires the Corporation to annually disclose certain information regarding its corporate governance practices. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of Shareholders and contribute to effective and efficient decision making. A description of the Corporation's governance practices is set out below.

1. Board of Directors

The Board of the Corporation facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Corporation's management being in attendance.

The Board has determined that two directors, namely John Lewins, and Charles Hethey are independent based upon the tests for independence set forth in NI 52-110. None of Bryan Slusarchuk, Neil (Rex) Motton, James Hutton, Robert McMorran, or Liza Gazis are considered independent directors because of their positions as executive officers (or former executive officers) or Chairman of the Corporation, or, in the case of Ms. Gazis, the payment of consulting fees.

2. Directorships

Certain directors hold directorships in other reporting issuers (public companies). Refer to the table above under "**Directors and Officers**".

3. **Orientation and Continuing Education**

The Board of Directors provides an overview of the Corporation's business activities, systems and business plan to all new directors. New director candidates have free access to any of the Corporation's records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Corporation. The Directors are encouraged to update their skills and knowledge by taking courses and attending professional seminars.

4. **Ethical Business Conduct**

The Board of Directors believes good corporate governance is integral to the Corporation's success and to meet responsibilities to shareholders. Generally, the Board of Directors has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

The Board of Directors is also responsible for applying governance principles and practices, and tracking development in corporate governance, and adapting "best practices" to suit the needs of the Corporation. Certain of the Directors of the Corporation may also be directors and officers of other companies, and conflicts of interest may arise between their duties. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under the BCBCA.

5. **Nomination of Directors**

The Board of Directors has not formed a nominating committee or similar committee to assist the Board of Directors with the nomination of directors for the Corporation. The Board of Directors considers itself too small to warrant creation of such a committee; and each of the Directors has contacts he can draw upon to identify new members of the Board of Directors as needed from time to time.

The Board of Directors will continually assess its size, structure and composition, taking into consideration its current strengths, skills and experience, proposed retirements and the requirements and strategic direction of the Corporation. As required, directors will recommend suitable candidates for consideration as members of the Board of Directors.

6. **Compensation**

The Board of Directors reviews the compensation of its directors and executive officers annually. The Directors will determine compensation of directors and executive officers taking into account the Corporation's business ventures and the Corporation's financial position. See "**Executive Compensation**".

7. **Other Board Committees**

The Corporation has established an Audit Committee as described below. The other committee of the Board of Directors is the Compensation Committee.

8. **Assessments**

The Board of Directors has not implemented a formal process for assessing its effectiveness. As a result of the Corporation's small size and the Corporation's stage of development, the Board of Directors considers a formal assessment process to be inappropriate at this time. The Board of Directors plans to continue evaluating its own effectiveness on an *ad hoc* basis.

The Board of Directors does not formally assess the performance or contribution of individual Board members or committee members.

APPOINTMENT AND REMUNERATION OF AUDITORS

Management proposes to appoint BDO Canada LLP as the auditor of the Corporation for the ensuing year and that the directors be authorized to fix their remuneration.

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of BDO Canada LLP as the auditors of the Corporation to hold office for the ensuing year at a remuneration to be fixed by the directors.

AUDIT COMMITTEE

NI 52-110 requires the Corporation's Audit Committee to meet certain requirements. It also requires the Corporation to disclose in this Circular certain information regarding the Audit Committee. That information is disclosed below.

PURPOSE

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board of Directors and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

On January 13, 2020, the Board of Directors adopted a charter delineating the Audit Committee's responsibilities. The Audit Committee Charter is attached to this Circular as Schedule I.

Composition of Audit Committee

The following persons are members of the Corporation's audit committee:

James Hutton	Not Independent	Financially Literate
Charles Hethey	Independent	Financially Literate
John Lewins	Independent	Financially Literate

Relevant Education and Experience

All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements, and have an understanding of internal controls. The members of the Audit Committee intend to maintain their currency by periodically taking continuing education courses.

The education and experience of each Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member is as follows:

James Hutton: Mr. Hutton has over 30 years of business development and financial markets experience, and is the President of Hutton Capital Corp. Mr. Hutton has held board positions with a number of public companies since 2010, including Santacruz Silver Mining Ltd. Mr. Hutton graduated from the University of British Columbia in 1982 and obtained an MBA from City University in 2004.

Charles Hethey: Mr. Hethey has represented numerous mineral exploration companies and advised them on their securities compliance obligations over the last 10 years. Further, Mr. Hethey was a director and a member of the audit committee of New Energy Metals Corp., a company listed on the TSXV, and was a director and a member of the audit committee of Skyledger Tech Corp., a company listed on the Canadian Securities Exchange. Accordingly, Mr. Hethey has the ability to understand financial statements relating to junior resource companies.

John Lewins: Over the last 20 years, Mr. Lewins has held numerous senior corporate positions with ASX and TSXV listed resource companies. Currently, Mr. Lewins is Chief Executive Officer of K92 Mining Inc. Accordingly, Mr. Lewins has the ability to understand financial statements relating to junior resource companies.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recent completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the following exemptions:

(a) the exemption in section 2.4 of National Instrument 52-110 (De Minimis Non-audit Services);

(b) the exemption in subsection 6.1.1(4) of National Instrument 52-110 (Circumstance Affecting the Business or Operations of the Venture Issuer);

(c) the exemption in subsection 6.1.1(5) of National Instrument 52-110 (Events Outside Control of Member);

(d) the exemption in subsection 6.1.1(6) of National Instrument 52-110 (Death, Incapacity or Resignation); or

(e) an exemption from National Instrument 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110 (Exemption).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. However, the Corporation's Audit Committee Charter states that the Audit Committee must pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Corporation by the Auditor.

External Auditor Fees

The aggregate fees billed to the Corporation for the services provided by the external auditor for the period ended December 31, 2019 are as follows:

	Period ended December 31, 2019
Audit Fees	$8,100
Audit-Related Fees	-
Tax Fees	-
All Other Fees	-
Total	$8,100

Exemption

The Corporation has relied upon the exemption provided by section 6.1 of NI 52-110, which exempts a venture issuer from the requirement to comply with the restrictions on the composition of its Audit Committee and the disclosure requirements of its Audit Committee in an annual information form as prescribed by NI 52-110.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Audit Report, Financial Statements & Management's Discussion & Analysis

The Board of Directors of the Corporation has approved the financial statements of the Corporation and the auditor's report thereon for the financial year ended December 31, 2019, which will be presented at the Meeting. No approval or other action needs to be taken at the Meeting in respect of these documents.

2. **Election of Directors**

The proposed nominees for the ensuing year are Bryan Slusarchuk, James Hutton, Robert McMorran, Rex Motton, Charles Hethey, John Lewins, and Liza Gazis. Information about the proposed nominees for election as directors, all positions and offices in the Corporation presently held by such nominees, the nominees' province or state and country of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number of securities of the Corporation that the nominee has advised are beneficially owned, controlled or directed, by the nominee as of the date of this Circular is provided under the heading "**Election of Directors**" above.

Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote for the election of the aforementioned persons to the Board of Directors of the Corporation.

Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **Proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in their Proxy that their FSX Shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual general meeting of shareholders or until their successors are duly elected, unless their office is earlier vacated in accordance with the Articles of the Corporation or the provisions of the BCBCA.

3. **Appointment and Remuneration of Auditors**

Management of the Corporation proposes to nominate BDO Canada LLP as auditors of the Corporation to hold office until the close of the next Annual Meeting of shareholders. It is proposed that the remuneration to the auditors be fixed by the directors. At the Meeting, shareholders will be asked to approve the appointment of BDO Canada LLP as the Auditors of the Corporation for the ensuing year.

Unless otherwise directed, the Management Designees intend to vote Proxies in favour of the appointment of BDO Canada LLP as the Auditor of the Corporation to hold office for the ensuing year at a remuneration to be fixed by the directors.

4. **Approval of Sale of SpinCo Projects**

Following the Effective Date, SpinCo Sub and Currawong are expected to enter into the Purchase Agreement, pursuant to which SpinCo Sub will acquire, among other things, the SpinCo Projects. SpinCo intends to pay cash consideration of AUD$764,081 under the Purchase Agreement with such cash consideration to be funded from either (i) the proceeds of the Finco Financing or (ii) a loan from the Corporation and assume the SpinCo Assumed Obligations. As a disposition of "non-cash assets", the sale of the SpinCo Projects to SpinCo pursuant to the Purchase Agreement requires approval of the TSXV under TSXV Policy 5.3 - *Acquisitions and Dispositions of Non-Cash Assets* ("**Policy 5.3**").

Mr. Jonathan Richards, Chief Financial Officer of FSX, is expected to be appointed the Chief Financial Officer of SpinCo. As a result of Mr. Richards' proposed position with SpinCo, SpinCo is considered a "Non-Arm's Length Party" in relation to FSX under applicable TSXV policies. In order to approve of dispositions of non-cash assets to Non-Arm's Length Parties, TSXV generally requires "Evidence of Value" for the asset being disposed of, determined in accordance with the prescribed methods for evidencing value in TSXV Policy 5.4 - *Escrow, Vendor Consideration and Resale Restrictions* ("**Policy 5.4**"). While the sale price pursuant to the Purchase Agreement is intended to be equivalent to the purchase price for the SpinCo Projects FSX paid for them in April, 2020, and thus FSX believes the Sale of the SpinCo Projects to SpinCo is fair to shareholders and on reasonable commercial terms, FSX cannot demonstrate "Evidence of Value" to TSXV in accordance with the methods prescribed by Policy 5.4. In circumstances where an issuer cannot demonstrate "evidence of value" for the disposition of an asset in accordance with the methods prescribed by Policy 5.4, TSXV approval for such disposition may be conditional on shareholder approval. Therefore at the Meeting, Shareholders will be asked to approve an ordinary resolution in the form set forth below approving the sale of the SpinCo Projects to SpinCo.

To be approved, the SpinCo Sale Resolution must be passed by a majority of the votes cast by Shareholders at the Meeting, excluding the votes of any Non-Arm's Length Parties. Mr. Richards does not own any FSX Shares and

therefore no votes are expected to excluded from the vote on the SpinCo Sale Resolution. Management unanimously recommends a vote "**for**" the SpinCo Sale Resolution. The SpinCo Sale Resolution reads as follows:

"**BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. Subject to the completion of the arrangement involving Fosterville South Exploration Ltd. ("**FSX**"), Leviathan Gold Ltd. ("**SpinCo**"), and Leviathan Gold Finance Inc. ("**Finco**"), as more particularly described in the notice of annual and special meeting and joint management information circular (the "**Circular**") of FSX and Finco dated October 9, 2020, the sale of the SpinCo Projects to SpinCo or its affiliates is hereby authorized, approved, provided that this resolution shall not become effective unless the Arrangement (as defined in the Circular) becomes effective; and

2. Any one director or officer of FSX is hereby authorized, for and on behalf of FSX, to execute and deliver, whether under the corporate seal of FSX or otherwise, all documents, filings and instruments and take all such other actions as may be necessary or desirable to implement and give full effect to this ordinary resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, filings or instruments and the taking of any such actions.

Unless otherwise directed, the Management Designees, if named as Proxyholder, intend to vote in favour of the approval of the SpinCo Sale Resolution.

5. Approval of FSX Option Plan

Shareholders will be asked to approve an ordinary resolution set forth below (the "**FSX Option Plan Resolution**") approving the FSX Option Plan.

The FSX Option Plan was adopted to offer incentives to directors, officers, employees, management and others who provide services to the Corporation or any subsidiary, to act in the best interests of the Corporation. The FSX Option Plan provides that the Corporation can, together with any securities issuable pursuant to all other equity compensation plans adopted by the Corporation, issue up to 10% of the Corporation's outstanding common shares, on a non-diluted basis, as options. The FSX Option Plan was drafted in accordance with the policies of the TSXV. For a detailed description of the provisions of the FSX Option Plan, please see "**Compensation Discussion and Analysis - Stock option plans and other incentive plans**".

To be approved, the FSX Option Plan Resolution must be passed by a majority of the votes cast by Shareholders at the Meeting. Management unanimously recommends a vote "**for**" in respect of the FSX Option Plan Resolution. The Option Plan Resolution reads as follows:

"**BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The stock option plan of the Corporation is hereby ratified, affirmed and approved and shall continue and remain in effect until such time as further ratification is required pursuant to the rules of the TSX Venture Exchange or other applicable regulatory requirements.

2. Any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments, whether under the seal of the Corporation or otherwise, and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution."

Unless otherwise directed, the Management Designees, if named as Proxyholder, intend to vote in favour of the approval of the FSX Option Plan Resolution and to, without further shareholder approval, make such changes to the FSX Option Plan as may be required or approved by regulatory authorities.

THE ARRANGEMENT

GENERAL

The purpose of the Arrangement is to reorganize FSX and its assets and operations into two separate public companies; FSX and SpinCo. Upon the Arrangement becoming effective, participating Shareholders will become shareholders in both companies and will receive one New FSX Share and one SpinCo Share for each FSX Share held as at the Effective Date. SpinCo has applied to have the SpinCo Shares listed on the TSXV.

On June 23, 2020, the Board announced the proposed Arrangement in order to separate FSX's core past-producing gold mineral exploration and development assets in Victoria from the SpinCo Projects in an effort to maximize shareholder value. The Arrangement has been proposed in order to facilitate the separation of all of FSX's rights and interests in the Avoca Project and Timor Project licenses from the Core Properties and FSX's other mineral exploration assets. Upon completion of the Arrangement and the transactions contemplated by the Purchase Agreement, SpinCo will (indirectly) hold the rights to acquire the Avoca Project and Timor Project licenses. FSX will continue to own and operate the Core Properties and its other mineral exploration assets. Concurrently with or after the Arrangement but in any event prior to the Amalgamation, Finco will undertake the Finco Financing in an amount of at least $5,000,000 on terms to be determined in the context of the market to provide working capital for SpinCo upon completion of the Amalgamation and SpinCo intends to enter into the Purchase Agreement pursuant to which it would (i) acquire the SpinCo Projects for cash consideration equal to the fair market value of the SpinCo Projects (being AUD$764,081), and (ii) assume the SpinCo Assumed Obligations and apply to list its common shares on the TSXV following the completion of the Amalgamation. In addition, SpinCo will assume the SpinCo Assumed Obligations. Listing of the SpinCo Shares on the TSXV will be subject to satisfying all of the TSXV's initial listing requirements. There is no assurance that such listing will occur or that the Finco Financing or Purchase Agreement will be completed or the required TSXV approvals will be obtained.

REASONS FOR THE ARRANGEMENT

The Board believes that separating the Timor and Avoca properties from FSX's core gold exploration and development business in order to create two separate publicly-traded companies will provide a number of benefits to FSX, SpinCo and the Shareholders, including:

- providing Shareholders with enhanced value by creating independent investment opportunities in two growth- oriented gold companies and allowing SpinCo to focus on the SpinCo Projects;
- providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans;
- enabling investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company;
- enabling each company to pursue independent growth and capital allocation strategies;
- allowing each company to be led by experienced executives and directors who have experience exploring and developing mining assets; and
- allowing the reorganization to occur on a tax-deferred basis for Shareholders resident in Canada who hold their FSX Shares as capital property.

RECOMMENDATION OF THE BOARD

The Board approved the Arrangement and recommended and authorized the submission of the Arrangement to the Shareholders and the Court for approval. **The Board has concluded that the Arrangement is in the best interests of FSX and its Shareholders and recommends that Shareholders vote FOR the Arrangement Resolution proposed to be passed at the Meeting.**

In reaching this conclusion, the Board considered, among other things, the benefits to FSX and its Shareholders, the fairness of the transaction to FSX Shareholders, as well as the financial position, opportunities and outlook for the

future potential and operating performance of FSX and SpinCo, respectively. See "**Certain Securities Law Matters – Canadian Securities Laws**" below.

FAIRNESS OF THE ARRANGEMENT

The Arrangement was determined to be fair to the Shareholders by the Board based upon the following factors, among others:

- the procedures by which the Arrangement will be approved, including the requirement for at least 66⅔% Shareholder approval at the Meeting and approval by the Court after a hearing at which fairness will be considered;
- each Shareholder (other than Dissenting Shareholders) who participates in the Arrangement will hold, upon completion of the Arrangement, one New FSX Share and one SpinCo Share for each FSX Share held by such Shareholder in FSX immediately prior to the Arrangement;
- the Fairness Opinion, attached hereto as Schedule M; and
- the opportunity for Registered Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to exercise Dissent Rights in accordance with the Dissent Procedures (as defined below).

DETAILS OF THE ARRANGEMENT

The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement, a copy of which is attached as Schedule A to the Arrangement Agreement attached as Schedule C to this Circular. Shareholders are urged to carefully read the Plan of Arrangement in its entirety.

At the Effective Time and pursuant to the Plan of Arrangement, the following transactions, among others, will occur and will be deemed to occur sequentially in the following order:

(a) each FSX Dissenting Share held by a FSX Dissenting Shareholder in respect of which a FSX Shareholder has validly exercised his, her or its FSX Dissent Rights shall be deemed to be transferred by such FSX Dissenting Shareholder to FSX (free and clear of any Liens of any nature whatsoever) in accordance with the steps hereof, and such FSX Dissenting Shareholder shall cease to be a holder of such FSX Share and his, her or its name shall be removed from the central securities register of FSX as a holder of a FSX Dissenting Share. Such FSX Dissenting Shareholder shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer such FSX Dissenting Shares to FSX in accordance with this Subsection. FSX shall be the holder of all of the FSX Dissenting Shares transferred in accordance with this Subsection and such FSX Shares will be cancelled and the central securities register of FSX shall be revised accordingly;

(b) the authorized share structure of FSX shall be altered by creating a new class of shares, known as "Class A Common Shares", with such new class of shares consisting of an unlimited number and without par value and having terms, rights and restrictions identical to those of the FSX Shares;

(c) FSX's Articles and Notice of Articles shall be amended to reflect the alterations to the authorized share structure described in item (b) above; and

(d) each FSX Share shall be exchanged for: (i) one New FSX Share; and (ii) one SpinCo Share. The holders of FSX Shares will be removed from the central securities register of FSX as the holders of such and will be added to the central securities register of FSX as the holders of the number of New FSX Shares that they have received on the exchange described in this item (d), and the SpinCo Shares transferred to the then holders of the FSX Shares will be registered in the name of the former holders of the FSX Shares and SpinCo will provide its registrar and transfer agent notice to make the appropriate entries in the central securities register of SpinCo.

The proposed board of directors of SpinCo following the completion of the Amalgamation includes Luke Norman, Robert Schafer, Jonathan Richards, Krisztian Toth, and Russel Starr. The management team is expected to consist of Luke Norman (Chairman and Chief Executive Officer) and Jonathan Richards (Chief Financial Officer). Prior to the date of the Amalgamation, Finco will complete the Management Share Issuances, expecting to consist of the issuance of a total of 6,000,000 common shares in the capital of Finco for nominal consideration to its management team, which management team will become the management team of SpinCo following the completion of the Amalgamation. The SpinCo Shares to be received in exchange for the Finco shares issued pursuant to the Management Share Issuances will be subject to the more restrictive of either the same restrictions on resale or transfer as imposed on the Shareholders pursuant to the Arrangement or the escrow requirements, if any, imposed by any applicable stock exchange on which the SpinCo Shares are listed.

Upon consummation of the Amalgamation, Mr. Jonathan Richards, FSX's Chief Financial Officer, is expected to be appointed as SpinCo's Chief Financial Officer. The decision to appoint Mr. Richards as SpinCo's CFO was made by the incoming SpinCo board, all of whom are at arm's length to FSX. At the time Mr. Richards is appointed the Chief Financial Officer of SpinCo, SpinCo will be a "Non-Arm's Length Party" to FSX within the meaning of that term under TSXV policies.

By virtue of being a senior officer of FSX, Mr. Richards is deemed to be a "related party" of FSX for purposes of MI 61-101. Upon completion of the Arrangement and the transactions contemplated by the Purchase Agreement, Mr. Richards is expected to be paid a commensurate salary for acting as CFO of SpinCo (which amount will not exceed his current remuneration with FSX), and may also in the future be granted incentive securities pursuant to the SpinCo Option Plan in the normal course. Mr. Richards will receive 250,000 shares of Finco in connection with the Management Share Issuance.

Mr. Richards, together with his associates and affiliated entities, beneficially owns and exercises control or direction over less than 1% of the FSX Shares, and the benefits to which Mr. Richards will become eligible, the full known details of which are disclosed herein, are not being conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to Mr. Richards for FSX Shares relinquished under the Arrangement, nor are the benefits conditional on Mr. Richards supporting the Arrangement in any manner. See "*Certain Securities Law Matters – Canadian Securities Laws*" below.

Following the Effective Date at a date and time to be determined by the Board of Directors of each of SpinCo and Finco, SpinCo CanSub and Finco will amalgamate. In connection with the Amalgamation, each holder of Finco shares will receive one share of SpinCo for each share of Finco held. It is a condition precedent to the completion of the Amalgamation that (i) Finco completes the Finco Financing, (ii) SpinCo or its affiliate enters into and completes the transactions contemplated by Purchase Agreement and (iii) SpinCo obtains the approval to list the SpinCo shares on the TSXV following the completion of the Amalgamation. Until the Amalgamation and the aforementioned events occur, SpinCo will be a reporting issuer in the provinces of British Columbia and Alberta but will not have any liquid trading market nor will SpinCo own any assets. Accordingly, the value of SpinCo will be dependent on the successful completion of the Amalgamation and the occurrence of the aforementioned events.

The terms of the Finco Financing and the terms of the Purchase Agreement have not yet been finalized and will be determined and settled in the context of the market. SpinCo intends to pay cash consideration of AUD$764,081 under the Purchase Agreement with such cash consideration to be funded from either (i) the proceeds of the Finco Financing or (ii) a loan from the Corporation. In addition, SpinCo will assume the SpinCo Assumed Obligations. The Corporation will issue a press release once the details of the Finco Financing and Purchase Agreement are known.

Authority of the Board

By passing the Arrangement Resolution, the Shareholders will also be giving authority to the board to use its judgment to proceed with and cause FSX to complete or abandon the Arrangement without any requirement to seek or obtain any further approval of the shareholders.

The Arrangement Resolution also provides that the terms of the Plan of the Arrangement may be amended by the Board before or after the Meeting without further notice to Shareholders, unless directed by the Court. Although the Board has no current intention to amend the terms of the Plan of Arrangement, it is possible that the Board may determine that certain amendments are appropriate, necessary or desirable.

CONDITIONS TO THE ARRANGEMENT

The Arrangement Agreement provides that the consummation of the Arrangement will be subject to the fulfilment or waiver of certain conditions, including the following:

- the Interim Order shall have been granted and not have been set aside or modified in a manner unacceptable to FSX or SpinCo, acting reasonably, on appeal or otherwise;
- the Arrangement Resolution shall have been approved by the requisite majority of Shareholders at the Meeting and the TSXV shall have accepted the Arrangement for filing and conditionally approved the listing of the SpinCo Shares, subject to satisfaction of the TSXV's initial listing requirements;
- the Final Order shall have been obtained in form and substance satisfactory to each of FSX and SpinCo, acting reasonably, and, in issuing the Final Order, the Court shall have determined that the Arrangement is procedurally and substantively fair to Shareholders;
- the Final Order shall have been accepted for filing by the Registrar;
- all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the Arrangement, including the approval of TSXV, will have been obtained or received, and all other applicable regulatory requirements and conditions shall have been complied with;
- there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Plan of Arrangement;
- there shall not exist any prohibition at law against the completion of the Arrangement;
- Shareholders shall not have exercised Dissent Rights with respect to greater than 5% of the outstanding FSX Shares; and
- the Arrangement Agreement will not have been terminated as provided for therein.

If any of the conditions set forth in the Arrangement Agreement are not fulfilled or performed, on or prior to the Effective Time, FSX may terminate the Arrangement Agreement or waive, in its discretion, the applicable condition in whole or in part. As soon as practicable after the fulfilment (or waiver) of the conditions contained in the Arrangement Agreement, the Board intends to cause a copy of the Final Order to be filed with the Registrar under the BCBCA, together with such other material as may be required by the Registrar in order that the Arrangement will become effective.

The approval of the TSXV is required in connection with each of the Arrangement and the Purchase Agreement. Neither FSX nor Leviathan Gold Ltd. may proceed with the Arrangement and the transactions contemplated by the Purchase Agreement unless the approval of the TSXV is obtained in respect of the applicable transaction.

Management of FSX expects that any material consents, orders and approvals required for the completion of the arrangement will be obtained prior to the Effective Date in the ordinary course upon application therefor.

COURT APPROVAL OF THE ARRANGEMENT

The Arrangement requires the approval of the Court. Prior to mailing this Circular, FSX obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The petition to the Court is attached as Schedule D, the Notice of Hearing of Petition is attached as Schedule E, and the Interim Order is attached as Schedule F.

Subject to the approval of the Arrangement Resolution by Shareholders at the Meeting, the hearing for the Final Order is currently scheduled to take place on November 17, 2020 at 9:45 a.m. (Vancouver time) or as soon thereafter as possible at the Court located at 800 Smithe Street, Vancouver, British Columbia, or by telephone or video conference hearing as determined by the Corporation or directed by the Court. Any Shareholder or other

interested party who wishes to participate or be represented or present arguments or evidence at the hearing of the application for the Final Order must file with the Court and serve on the Corporation, by service upon counsel, Fasken Martineau DuMoulin LLP, 2900 - 550 Burrard Street, Vancouver, British Columbia, Attention: Tracey Cohen, a Response to Petition in the form required by the British Columbia Supreme Court Civil Rules and any additional affidavits or other materials upon which any such person intends to rely, on or before 9:00 a.m. (Vancouver time) on November 13, 2020, or otherwise as provided in the Interim Order. Only those persons who file a Response to Petition as required herein will be provided with notice of the materials filed by the Corporation in support of the application for the Final Order. Such persons should consult with their legal advisors as to the necessary requirements.

The Court has broad discretion under the BCBCA when making orders in respect of arrangements, and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks appropriate. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Arrangement to Shareholders. The Court will be advised prior to the hearing for the Final Order that if the terms and conditions of the Arrangement are approved by the Court, such approval will be relied upon in seeking an exemption from the registration requirements of the 1933 Act, pursuant to Section 3(a)(10) thereof, with respect to the offer and sale of the securities to be issued or distributed pursuant to the Arrangement.

In the event that the hearing is postponed, adjourned or rescheduled, subject to further order of the Court, only those persons having previously served a proper Response to Petition in compliance with the terms set out herein and in the Interim Order will be given notice of the postponement, adjournment or rescheduled date.

SHAREHOLDER APPROVAL OF THE ARRANGEMENT

Subject to any further order(s) of the Court, the Arrangement must be approved by at least 66⅔% of the votes cast by Shareholders present, in person or by proxy, and entitled to vote at the Meeting. Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Shareholders and subject to the terms of the Arrangement Agreement, to amend the Plan of Arrangement or to decide not to proceed with the Arrangement at any time prior to the Effective Time. As at the date hereof, the directors and officers of FSX have indicated their intention to vote all of the FSX Shares held by them, representing approximately 17.76% of the issued and outstanding FSX Shares, in favour of the Arrangement Resolution.

In the absence of any instruction to the contrary, the Shares represented by proxies appointing the management designees named in the form of proxy will be voted in favour of the Arrangement Resolution.

PROPOSED TIMETABLE FOR THE ARRANGEMENT

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

Event	**Target Date**
Annual and special meeting:	November 13, 2020
Final Court approval:	November 17, 2020
Effective Date:	Within five business days of final Court Approval
Mailing of share certificates:	Not later than two business days from the Effective Date

Notice of the Effective Date will be made through one or more news releases issued by FSX. The Board will determine the Effective Date upon satisfaction or waiver of the conditions to the Arrangement.

The above dates may be amended from time to time by the Board.

DISTRIBUTION OF CERTIFICATES

Concurrently with the mailing of the Circular, FSX will mail the Letter of Transmittal to Registered Shareholders, which will be used to exchange certificates representing FSX Shares for share certificates representing the New FSX Shares and the SpinCo Shares. Until exchanged, each certificate representing FSX Shares will, after the Effective time, represent only the right to receive, upon surrender, certificates (or other evidence) representing the requisite numbers of New FSX Shares and SpinCo Shares. Shareholders will not receive any fractional SpinCo Shares. Any

fractional SpinCo Shares will be rounded down to the nearest whole number and Shareholders will not receive any compensation in lieu thereof.

CANCELLATION OF RIGHTS AFTER TWO YEARS

Any certificate which immediately prior to the Effective Time represented FSX Shares and which has not been surrendered with all other documents required by the Depositary, on or prior to the second anniversary of the Effective Date, will cease to represent any claim against or interest of any kind or nature in either FSX or SpinCo. **Accordingly, persons who tender certificates for FSX Shares after the second anniversary of the Effective Date will not receive New FSX Shares or SpinCo Shares, will not own any interest in FSX or SpinCo and will not be paid any cash or other compensation in lieu thereof.**

EXPENSES OF THE ARRANGEMENT

The costs relating to the Arrangement Amalgamation, Purchase Agreement and Finco Financing, including, without limitation, financial advisory, accounting and legal fees, will be borne by FSX.

RISK FACTORS RELATING TO THE ARRANGEMENT

The following risk factors should be considered by Shareholders in evaluating whether to approve the Arrangement. These risk factors should be considered in conjunction with the other information included in this Circular and the risk factors disclosed under the heading "**Risk Factors**" in Schedule H.

Termination of the Arrangement Agreement or Failure to Obtain Required Approvals.

Each of FSX and SpinCo has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can FSX provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Arrangement. In addition, the completion of the Arrangement is subject to a number of conditions, certain of which are outside the control of FSX, including Shareholders approving the Arrangement and required regulatory approvals, including of the Court and TSXV, being obtained. There is no certainty, nor can FSX provide any assurance, that these conditions will be satisfied. If for any reason the Arrangement is not completed, the market price of FSX Shares may be adversely affected and Shareholders will lose the prospective benefits of the Arrangement.

No Assurance that Amalgamation will be completed, the FinCo Financing will occur, Purchase Agreement will be entered into and completed or that SpinCo Shares will be listed on any Stock Exchange.

Following the Effective Date SpinCo will be reporting issuer in the Provinces of British Columbia and Alberta but there will be no liquid trading market or listing for the SpinCo Shares nor will SpinCo hold any assets or cash. The value of SpinCo is dependent on the completion of the Amalgamation, the completion of the Purchase Agreement, the completion of the Finco Financing and the ability to obtain a listing on the TSXV of the SpinCo Shares. Accordingly, if any of these events do not occur, the value of the SpinCo Shares and the ability to monetize the SpinCo Shares will be materially and adversely affected.

The Finco Financing and the Management Share Issuances will dilute Shareholders' interests in SpinCo.

The issuance of securities by Finco pursuant to the Finco Financing and the Management Share Issuances will, following the completion of the Amalgamation, dilute the interest of the Shareholders' in SpinCo.

The restrictions on resale or transfer imposed by the Corporation on the SpinCo Shares to be distributed to the Shareholders may make it more difficult for Shareholders to monetize their SpinCo Shares in an expedient manner or when market conditions are favourable.

The SpinCo Shares will be subject to the following restrictions on resale or transfer imposed by the Corporation as a condition to the distribution to the Shareholders pursuant to the Arrangement:

(e) 25% will be restricted for four months from the Effective Date;

(f) 25% will be restricted for eight months from the Effective Date,

(g) 25% will be restricted for twelve months from the Effective Date; and

(h) the final 25% will be restricted for sixteen months from the Effective Date.

Accordingly, Shareholders may not be able to sell their SpinCo Shares in the time and manner they desire and may not be able to fully realize the value of their SpinCo Shares when market conditions are favorable. No such restrictions will apply to the SpinCo Shares to be received in connection with the Amalgamation by those subscribers holding Finco securities issued in connection with the Finco Financing. In addition, these restrictions may result in the trading market for the SpinCo Shares not being liquid or very active.

Income Tax

The Arrangement may give rise to adverse tax consequences to Shareholders, and each Shareholder is urged to consult with his, her or its own tax advisor. See "**Certain Canadian Federal Income Tax Considerations**".

Costs of the Arrangement

There are certain costs related to the Arrangement, such as legal and accounting fees incurred, that must be paid even if the Arrangement is not completed.

Pro-forma Financial Statements

The pro-forma financial statements attached to this Circular and information derived therefrom contain in this Circular are presented for illustrative purposes only and may not be an indication of FSX's or SpinCo's financial condition following the Arrangement for several reasons. For example, such pro-forma financial statements have been derived from the historical financial statements of FSX and certain assumptions have been made. The information upon which these assumptions have been made is historical, preliminary and subject to change. Moreover, the pro-forma financial statements do not reflect all costs that are expected to be incurred by FSX and/or SpinCo in connection with the Arrangement. In addition, the assumptions used in preparing the pro-forma financial statements may not prove to be accurate.

Exercise of Dissent Rights

Registered Shareholders have the right to exercise Dissent Rights and demand payment equal to the fair value of their FSX Shares in cash. If Dissent Rights are exercised in respect of a significant number of FSX Shares, a substantial cash payment may be required to be made to such Shareholders, which could have an adverse effect on FSX's financial condition and cash resources. FSX may elect, in its sole discretion, not to complete the Arrangement if a significant number of Shareholders exercise Dissent Rights.

DISSENT RIGHTS

If you are a Registered Shareholder, you are entitled to exercise Dissent Rights from the Arrangement Resolution by strictly following and adhering to the procedures in Division 2 of part 8 of the BCBCA, as the same may be modified by the Plan of Arrangement, the Interim Order and the Final Order (collectively, the "**Dissent Procedures**").

Any Registered Shareholder is ultimately entitled to be paid the fair value of their FSX Shares if such Registered Shareholder duly dissents in respect of the Arrangement in strict accordance with the Dissent Procedures provided that the Arrangement becomes effective. A Registered Shareholder is not entitled to dissent with respect to such holder's FSX Shares if such Registered Shareholder votes any of those FSX Shares in favour of the Arrangement Resolution. A Dissenting Shareholder ceases to have any rights as a Shareholder, other than the right to be paid the fair value of such holder's FSX Shares, and the FSX Shares held by such Dissenting Shareholder will be deemed to be repurchased by FSX in accordance with the terms of the Plan of Arrangement.

A brief summary of the Dissent Procedures is set out below. A Registered Shareholder's failure to follow exactly the Dissent Procedures will result in the loss of such Registered Shareholder's Dissent Rights. If you are a Registered Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the provisions of the Plan of Arrangement, the Interim Order, and Division 2 of Part 8 of the BCBCA, which are attached at Schedule C,

Schedule F, and Schedule G. The Court, upon hearing the application for the Final Order, has the discretion to alter the Dissent Procedures described herein based on the evidence presented at such hearing.

A Registered Shareholder wishing to dissent must send a written notice of dissent (a "**Dissent Notice**") contemplated by Section 242 of the BCBCA which must be received by the Corporation, in the manner set out below, not later than 9:30 a.m. (Vancouver time) on the business day that is at least two business days before the date of the Meeting. All notices of dissent to the Arrangement pursuant to Section 242 of the BCBCA should be delivered by mail or hand delivery to Fosterville South Exploration Ltd., Suite 880, 580 Hornby Street, Vancouver, British Columbia V6C 3B6 (Attention: Chief Executive Officer). A vote against the Arrangement Resolution, an abstention, or the execution of a proxy to vote against the Arrangement Resolution, does not constitute a Dissent Notice.

Beneficial owners of FSX Shares registered in the name of a broker, custodian, nominee or other Intermediary who wish to dissent should be aware that only Registered Shareholders are entitled to exercise Dissent Rights. Accordingly, a Non-Registered Shareholder desiring to exercise Dissent Rights must make arrangements for the FSX Shares beneficially owned by such Shareholder to be registered in his, her or its name prior to the time the Dissent Notice is required to be received or, alternatively, make arrangements for the Registered Shareholder to exercise Dissent Rights on the beneficial holder's behalf.

After the Arrangement Resolution is approved by Shareholders and within one month after FSX notifies the dissenting Registered Shareholder of FSX's intention to act upon the Arrangement Resolution pursuant to Section 243 of the BCBCA, the dissenting Registered Shareholder must, pursuant to Section 244(1) of the BCBCA, send to FSX a written notice that such holder requires the purchase of all of the FSX Shares in respect of which such holder has given notice of dissent, together with the share certificate or certificates representing those FSX Shares (including a written statement prepared in accordance with Subsection 244(1)(c) of the BCBCA if the dissent is being exercised by the Registered Shareholder on behalf of a Beneficial Shareholder). Any dissenting Registered Shareholder who has duly complied with Section 244(1) of the BCBCA and FSX may agree on the amount of the fair value of the Dissent Shares calculated immediately before the passing of the Arrangement Resolution, or, if there is no such agreement, either such dissenting Registered Shareholder or FSX may apply to the Court (although FSX is under no obligation to do so), and the Court may determine the fair value of the Dissent Shares calculated immediately before the passing of the Arrangement Resolution and make consequential orders and give directions as the Court considers appropriate. Promptly after the determination of the fair value of such Dissent Shares, such amount shall be paid out to the dissenting Registered Shareholder in cash by FSX. Failure to comply strictly with and adhere to the Dissent Procedures may result in the loss of all rights thereunder. A dissenting Registered Shareholder who does not strictly comply with the Dissent Procedures or, for any other reason, is not entitled to be paid fair value for his, her or its Dissent Shares will be deemed to have participated in the Arrangement on the same basis as non-dissenting Shareholders.

The Arrangement Agreement provides that, unless otherwise waived, it is a condition to the obligations of FSX and SpinCo to complete the Arrangement that, on or before the Effective Date, holders of not more than an aggregate of 5% of the issued and outstanding FSX Shares shall have exercised Dissent Rights. If the number of outstanding FSX Shares in respect of which Dissent Rights have been exercised exceeds 5%, the Arrangement will not proceed unless FSX waives such condition.

The above is only a summary of the Dissent Procedures which are technical and complex. If you are a Registered Shareholder and wish to exercise your Dissent Rights, you should seek your own legal advice as failure to strictly comply with the Dissent Procedures, will result in the forfeiture of your Dissent Rights. For a general summary of certain income tax implications to a Dissenting Shareholder, see "**Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders**" and "**Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders**". Registered Shareholders considering exercising Dissent Rights should also seek the advice of their own tax, legal and financial advisors.

CERTAIN SECURITIES LAW MATTERS

The following discussion is only a general overview of certain requirements of Canadian and United States securities laws applicable to trades in securities of FSX or SpinCo after completion of the Arrangement and

the Amalgamation. All holders of securities are urged to consult with their own legal counsel to ensure that any resale of their securities of FSX or SpinCo complies with applicable securities legislation.

CANADIAN SECURITIES LAWS

The securities of FSX and SpinCo to be issued pursuant to the Arrangement will be issued in reliance on exemptions from prospectus requirements of applicable Canadian securities laws. In accordance with the applicable securities legislation, the New FSX Shares and SpinCo Shares may be resold without legal restriction, subject to the conditions that no unusual effort is made to prepare the market for the resale or create a demand for the shares and no extraordinary commission or consideration is paid in respect of the resale and to customary restrictions applicable to distributions of securities held by control persons and persons in "**special relationships**" to the relevant company. Notwithstanding the foregoing, until completion of the Amalgamation, the Finco Financing, and the transactions contemplated by the Purchase Agreement, and SpinCo obtaining a listing on the TSXV, there will be no market or exchange to trade the SpinCo Shares, and the SpinCo Shares (other than the SpinCo Shares to be received in connection with the Amalgamation by those subscribers holding Finco securities issued in connection with the Finco Financing) will be subject to contractual restrictions on resale of transfer. See further details under the section entitled "**Escrowed Securities and Securities Subject to Contractual Restriction on Transfers**" in Schedule H.

Multilateral Instrument 61-101

FSX is subject to MI 61-101, a Canadian securities law instrument intended to regulate transactions where a conflict of interest may exist between certain "related parties" and minority shareholders of an issuer to ensure equality of treatment among securityholders. MI 61-101 generally requires enhanced disclosure, "disinterested" approval of transaction by a majority of securityholders excluding interested or related parties and, in certain instances, independent valuations. The protections of MI 61-101 generally apply to "business combinations" (as that term is defined in MI 61-101) that terminate the interests of securityholders without their consent and related party transactions.

Unless certain exceptions apply, the Arrangement would be considered a "business combination" in respect of FSX pursuant to MI 61-101 as the interest FSX Shareholders in FSX Shares may be terminated without such FSX Shareholders' consent, regardless of whether or not the FSX Shares are replaced with New FSX Shares. Accordingly, unless no "related party" of FSX is entitled to receive a "collateral benefit" (as defined in MI 61-101) in connection with the Arrangement, the transaction would be considered a "business combination" and subject to minority approval requirements at the Meeting.

Upon consummation of the Amalgamation, Mr. Jonathan Richards, FSX's Chief Financial Officer, is expected to be appointed as SpinCo's Chief Financial Officer. The decision to appoint Mr. Richards as SpinCo's CFO was made by the incoming SpinCo board, all of whom are at arm's length to FSX. At the time Mr. Richards is appointed the Chief Financial Officer of SpinCo, SpinCo will be a "Non-Arm's Length Party" to FSX for the purposes of TSXV policies. Mr. Richards owns no shares of FSX and Mr. Richards is expected to be issued 250,000 shares of Finco pursuant to the Management Share Issuances.

By virtue of being a senior officer of FSX, Mr. Richards is deemed to be a "related party" of FSX for purposes of MI 61-101. Upon completion of the Arrangement and the transactions contemplated by the Purchase Agreement, Mr. Richards is expected to be paid a commensurate salary for acting as CFO of SpinCo (which amount will not exceed his current remuneration with FSX), and may also in the future be granted incentive securities pursuant to the SpinCo Option Plan in the normal course. While a "collateral benefit" as defined by MI 61-101 includes any benefit that a related party of the issuer is entitled to receive, directly or indirectly, as a consequence of the transaction, including, without limitation, an increase in salary or other enhancements in benefits related to past or future services as an employee, director or consultant of the issuer or of another person., it does not include certain benefits to a related party that are received solely in connection with the related party's service as an employee, director or consultant of the issuer, of an affiliated entity of the issuer or of a successor to the business of the issuer where: (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transactions; (b) the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner; (c) full particulars of the benefit are disclosed in the disclosure document for the transaction; and (d) the related party and his or her associated entities beneficially owns, or exercises control or direction over, less than 1% of each class of the outstanding securities of the issuer.

Mr. Richards, together with his associates and affiliated entities, beneficially owns and exercises control or direction over less than 1% of the FSX Shares, and the benefits to which Mr. Richards will become eligible, the full known details of which are disclosed herein, are not being conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to Mr. Richards for FSX Shares relinquished under the Arrangement, nor are the benefits conditional on Mr. Richards supporting the Arrangement in any manner. Accordingly, the Board determined that Mr. Richards was not receiving a "collateral benefit", and the Arrangement did not constitute a "business combination" within the meaning of MI 61-101.

UNITED STATES SECURITIES LAWS

The New FSX Shares and SpinCo Shares to be issued pursuant to the Arrangement will not be registered under the 1933 Act or the securities laws of any state of the United States, and will be distributed in reliance upon the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof and available exemptions from applicable state registration requirements. Section 3(a)(10) of the 1933 Act provides an exemption from the registration requirements of the 1933 Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on October 8, 2020 and, subject to the approval of the Arrangement by the Shareholders at the Meeting, it is expected that a hearing on the Arrangement will be held on November 17, 2020 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, at 800 Smithe Street, Vancouver, British Columbia, or by telephone or video conference hearing as determined by the Corporation or as directed by the Court. All Shareholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order.

Subject to the contractual restrictions on resale or transfer of the SpinCo Shares described below, Shareholders who are not "**Affiliates**" of FSX or SpinCo immediately after the Arrangement and have not been "Affiliates" of FSX or SpinCo within 90 days of the resale in question, may resell New FSX Shares or SpinCo Shares received by them in the Arrangement within or outside the United States without restriction under the 1933 Act.

Shareholders who are "Affiliates" of FSX or SpinCo after the Arrangement or within 90 days of the resale in question may not resell their New FSX Shares or SpinCo Shares in the absence of registration under the 1933 Act, unless an exemption from registration is available, such as the exemptions afforded by Regulation S or Rule 144 under the 1933 Act. For the purposes of the 1933 Act, an "Affiliate" of FSX or SpinCo is a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with FSX or SpinCo, as the case may be.

Each of FSX and SpinCo is expected to continue to qualify as a "**foreign issuer**" without a "**substantial U.S. market interest**" as defined in Regulation S on the Effective Date. Therefore, subject to applicable Canadian requirements, holders of New FSX Shares or SpinCo Shares that are not affiliates of FSX or SpinCo, or who are Affiliates of FSX or SpinCo solely by virtue of serving as an officer or director of those entities, may immediately resell such securities outside the United States without registration under the 1933 Act pursuant to Regulation S (a "**Regulation S Resale**"). Any Regulation S Resale must be made in "offshore transactions" within the meaning of Regulation S and neither the seller, nor an Affiliate, nor any Person acting on their behalf may engage in "directed selling efforts" (as defined in Regulation S) in the United States. Additionally, for resales by directors and officers that are affiliates of FSX or SpinCo solely by virtue of holding those positions, no selling concession, fee or other remuneration may be paid in connection with any such offer or sale other than a usual and customary broker's commission that would be received by a Person executing such transaction as agent. For the purposes of Regulation S, "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the New FSX Shares or SpinCo Shares.

For the purposes of a Regulation S Resale, an "**offshore transaction**" is a transaction that meets the following requirements: (i) the offer is not made to a Person in the United States, and (ii) either (A) at the time the buy order is originated, the buyer is outside the United States, or the seller and any Person acting on its behalf reasonably believe

that the buyer is outside the United States, or (B) the transaction is executed in, on or through the facilities of a designated offshore securities market (which would currently include the TSXV), and neither the seller nor any Person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; and (iii) offers and sales are not specifically targeted at identifiable groups of U.S. citizens abroad.

Certain additional Regulation S restrictions are applicable to a holder of New FSX Shares or SpinCo Shares who will be an affiliate of FSX or SpinCo, respectively, other than by virtue of his status as an officer or director.

Under Rule 144, Persons who are Affiliates of SpinCo after the Arrangement or within 90 days of the resale in question will be entitled to resell in the United States during any three-month period, that number of SpinCo Shares that does not exceed one percent of the then outstanding securities of such class, subject to certain restrictions on manner of sale, notice requirements, aggregation rules and the availability of public information about SpinCo (as to which there can be no assurance). Affiliates of SpinCo prior to the Arrangement who are not Affiliates of SpinCo after the Arrangement must, for 90 days following the Arrangement, comply with the requirements set forth in the preceding sentence but thereafter may resell such securities without regard to any of these requirements, provided that such Persons have not been Affiliates of SpinCo during the 90 days preceding the resale.

Notwithstanding any of the foregoing, until completion of the Amalgamation, the Finco Financing, and the transactions contemplated by the Purchase Agreement, and SpinCo obtaining a listing on the TSXV, there will be no market or exchange to trade the SpinCo Shares, and the SpinCo Shares (other than the SpinCo Shares to be received in connection with the Amalgamation by those subscribers holding Finco securities issued in connection with the Finco Financing) will be subject to contractual restrictions on resale of transfer. See further details under the section entitled "**Escrowed Securities and Securities Subject to Contractual Restriction on Transfers**" in Schedule H.

Shareholders are urged to consult their legal advisors prior to disposing of New FSX Shares or SpinCo Shares received in the Arrangement to determine the extent of all applicable resale provisions.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations that generally apply to a Shareholder who disposes of FSX Shares pursuant to the Arrangement, and acquires New FSX Shares and SpinCo Shares pursuant to the Arrangement. This summary applies only to a Shareholder who at all relevant times, for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**"): (i) deals at arm's length with FSX and SpinCo; (ii) is not affiliated with either FSX or SpinCo; and (iii) holds their FSX Shares, and will hold their New FSX Shares and SpinCo Shares, as capital property (a "**Holder**"). Generally, the FSX Shares, the New FSX Shares, and the SpinCo Shares will be capital property to a Holder provided the Holder does not acquire or hold them in the course of carrying on a business of buying and selling securities or as part of an adventure or concern in the nature of trade.

This summary does not apply to a Shareholder that: (i) is a "specified financial institution"; (ii) is a person or partnership an interest in which would be a "tax shelter investment"; (ii) is a financial institution for the purpose of mark-to-market rules contained in the Tax Act; (iv) reports its "Canadian tax results" in a currency other than Canadian currency; (v) entered into or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement" with respect to the Shareholder's FSX Shares, New FSX Shares, or SpinCo Shares; (vi) has acquired FSX Shares, or will acquire New FSX Shares or SpinCo Shares, on the exercise of an employee stock option; or (vii) is exempt from tax under Part I of the Tax Act.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada or a corporation that does not deal at arm's length, for purposes of the Tax Act, with a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events, controlled by a non-resident person, or a group of non-resident persons not dealing with each other at arm's length for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors.

In addition, this summary does not address the income tax considerations to holders of FSX Options.

This summary assumes that the Share Exchange (as described below) will be considered to occur "in the course of a reorganization of capital" of FSX such that section 86 of the Tax Act will apply in respect of the Share Exchange. No tax ruling or legal opinion has been sought or obtained in this regard, or with respect to any of the assumptions

made throughout this summary of Certain Canadian Federal Income Tax Considerations, and the summary below is qualified accordingly.

This summary is based on the current provisions of the Tax Act and the Regulations and the current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") made publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice of the CRA whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account tax legislation or considerations of any province, territory, or foreign jurisdiction, which may be different from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder, and no representations with respect to the income tax consequences to any Shareholder are made. This summary is not exhaustive of all Canadian federal income tax considerations. Shareholders should consult their own tax advisors for advice with respect to the tax consequences to them of disposing of FSX Shares pursuant to the Arrangement, and of acquiring New FSX Shares and SpinCo Shares pursuant to the Arrangement.

HOLDERS RESIDENT IN CANADA

This portion of the summary only applies to a Holder who, at all relevant times, for purposes of the Tax Act or any applicable income tax treaty or convention, is, or is deemed to be, resident in Canada (a "**Resident Holder**").

Certain Resident Holders who might not otherwise be considered to hold their FSX Shares, New FSX Shares, or SpinCo Shares as capital property, may in certain circumstances, be considered to hold their FSX Shares, New FSX Shares, or SpinCo Shares and all other "Canadian securities" (as defined in the Tax Act) owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Resident Holders should consult their own tax advisors regarding this election.

EXCHANGE OF FSX SHARES FOR NEW FSX SHARES AND SPINCO SHARES

A Resident Holder who exchanges FSX Shares for New FSX Shares and SpinCo Shares pursuant to the Arrangement (the "**Share Exchange**") will be deemed to have received a taxable dividend equal to the amount, if any, by which the aggregate fair market value of the SpinCo Shares distributed to the Resident Holder pursuant to the Share Exchange at the time of the Share Exchange exceeds the "paid-up capital" (as defined in the Tax Act) ("**PUC**") of the Resident Holder's FSX Shares determined at that time. Any such taxable dividend will be taxable as described below under "*Holders Resident in Canada – Taxation of Dividends*". However, FSX expects that the aggregate fair market value of all SpinCo Shares distributed pursuant to the Share Exchange under the Arrangement will not exceed the PUC of the FSX Shares. Accordingly, FSX does not expect that any Resident Holder will be deemed to receive a taxable dividend on the Share Exchange.

A Resident Holder who exchanges FSX Shares for New FSX Shares and SpinCo Shares on the Share Exchange will realize a capital gain equal to the amount, if any, by which the aggregate fair market value of those SpinCo Shares at the effective time of the Share Exchange, less the amount of any taxable dividend deemed to be received by the Resident Holder as described in the preceding paragraph, exceeds the "**adjusted cost base**" (as defined in the Tax Act) ("**ACB**") of the Resident Holder's FSX Shares determined immediately before the Share Exchange. Any capital gain so realized will be taxable as described below under "*Holders Resident in Canada – Taxation of Capital Gains and Losses*".

A Resident Holder will acquire the SpinCo Shares received on the Share Exchange at a cost equal to their fair market value as at the effective time of the Share Exchange, and the New FSX Shares received on the Share Exchange at a cost equal to the amount, if any, by which the ACB of the Resident Holder's FSX Shares immediately before the Share Exchange exceeds the fair market value of the SpinCo Shares as at the effective time of the Share Exchange.

DISPOSITION OF NEW FSX SHARES OR SPINCO SHARES AFTER THE ARRANGEMENT

On the disposition or deemed disposition of a New FSX Share or a SpinCo Share (other than to FSX or SpinCo respectively, unless purchased by such corporation in the open market in the manner in which shares are normally purchased by any member of the public in the open market, in which case other considerations may arise), a Resident Holder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the aggregate of the Resident Holder's ACB of such New FSX Share or SpinCo Share, as the case may be, and any reasonable costs of disposition. See "Taxation of Capital Gains and Capital Losses" below.

Taxation of Dividends

A Resident Holder will be required to include in computing its income for a taxation year any dividends received (or deemed to be received) on the FSX Shares, New FSX Shares, or SpinCo Shares during such taxation year. In the case of a Resident Holder who is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules that apply to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit that apply to any dividends designated by FSX or SpinCo, as the case may be, as "eligible dividends" in accordance with the provisions of the Tax Act. There may be limitations on FSX' s ability to designate its dividends on the FSX Shares or New FSX Shares as "eligible dividends," or on SpinCo's ability to designate its dividends on the SpinCo Shares as "eligible dividends".

Taxable dividends received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for minimum tax under the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

In the case of a Resident Holder that is a corporation, such dividends received or deemed to be received on FSX Shares, New FSX Shares, or SpinCo Shares held by the Resident Holder generally will be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received (or deemed to be received) by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Certain corporations, including a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act), may be liable to pay additional tax under Part IV of the Tax Act, which may be refundable, on dividends received (or deemed to be received) on the FSX Shares, the New FSX Shares, or the SpinCo Shares to the extent that such dividends are deductible in computing the corporation's taxable income for the taxation year. A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act), including any dividends or deemed dividends that are not deductible in computing the Resident Holder's taxable income.

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a FSX Share, a New FSX Share, or a SpinCo Share may be reduced by the amount of any dividends received (or deemed to be received) by the Resident Holder on such FSX Share, New FSX Share, or SpinCo Share or a share for which the FSX Share, New FSX Share, or SpinCo Share is substituted or exchanged to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a FSX Share, a New FSX Share, or a SpinCo Share is

owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such Resident Holders should consult their own advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may also be liable to pay a refundable tax on its "aggregate investment income", which is defined in the Tax Act to include taxable capital gains.

Capital gains realized by a Resident Holder who is an individual (other than certain trusts) may give rise to a liability for minimum tax under the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights (a "**Dissenting Resident Holder**") and who consequently transfers or is deemed to transfer FSX Shares to FSX for payment by FSX will be deemed to receive a taxable dividend in the taxation year of payment equal to the amount, if any, by which the payment (excluding interest) exceeds the PUC of the Dissenting Resident Holder's FSX Shares determined immediately before the Arrangement. Any such taxable dividend will be taxable as described above under "*Holders Resident in Canada – Taxation of Dividends*". The Dissenting Resident Holder will also realize a capital gain (or capital loss) equal to the amount, if any, by which the payment (excluding interest), less any such deemed taxable dividend, exceeds (or is exceeded by) the ACB of the Dissenting Resident Holder's FSX Shares determined immediately before the Arrangement. Any such capital gain or loss will generally be taxable or deductible as described above under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

The Dissenting Resident Holder will be required to include any portion of the payment that is on account of interest in income in the year received.

Eligibility for Investment – New FSX Shares and SpinCo Shares

A New FSX Share or a SpinCo Share will be a "qualified investment" under the Tax Act for a trust governed by a "registered retirement savings plan" (**"RRSP"**), a "registered retirement income fund" (**"RRIF"**), a "registered education savings plan" (**"RESP"**), a "registered disability savings plan" (**"RDSP"**), a "tax-free savings account" (**"TFSA"**) or a "deferred profit sharing plan" (as those terms are defined in the Tax Act), (each one a "**Registered Plan**"), provided that the New FSX Share or SpinCo Share is listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSXV), or FSX or SpinCo, as the case may be, is a "public corporation" as defined in the Tax Act.

A SpinCo Share will not be a qualified investment for a Registered Plan from the date of issuance unless the SpinCo Shares are listed on a "designated stock exchange" as defined in the Tax Act on or before its filing due date for its first taxation year and SpinCo validly elects to be a "public corporation" for purposes of the Tax Act from the commencement of its first taxation year. **There can be no assurance as to if, or when, the SpinCo Shares will be listed on any stock exchange and, therefore, no assurance SpinCo will be able to make the election to be a public corporation. Should the SpinCo Shares be distributed to or otherwise acquired by a Registered Plan other than as "qualified investments", adverse tax consequences not described in this summary should be expected to arise for the Registered Plan and the annuitant, subscriber or holder, as the case may be, thereunder. Resident Holders that will or may hold SpinCo Shares within a Registered Plan should consult with their own tax advisors in this regard.**

Notwithstanding that the New FSX Shares or the SpinCo Shares may be qualified investments for a Registered Plan, if the New FSX Shares or the SpinCo Shares are a "prohibited investment" within the meaning of the Tax Act for a RRSP, RRIF, RESP, RDSP or TFSA the annuitant, holder, or subscriber of such plan, as the case may be, will be subject to penalty taxes as set out in the Tax Act. New FSX Shares and SpinCo Shares will generally not be a "prohibited investment" for the plan if the holder, annuitant or subscriber, as the case may be, (i) deals at arm's length with FSX or SpinCo, as the case may be, for the purposes of the Tax Act, and (ii) does not have a "significant interest" as defined in the Tax Act in FSX or SpinCo, as the case may be. In addition, New FSX Shares or SpinCo Shares will not be a "prohibited investment" if the New FSX Shares or the SpinCo Shares, as the case may be, are "excluded property" within the meaning of the Tax Act, for the plan.

Shareholders who intend to hold New FSX Shares or SpinCo Shares in a Registered Plan should consult their own tax advisers in regard to the application of the prohibited investment rules in their particular circumstances.

HOLDERS NOT RESIDENT IN CANADA

This portion of the summary only applies to a Holder who, at all relevant times, for purposes of the Tax Act and any relevant tax treaty or convention, is not, and is not deemed to be, resident in Canada and does not use or hold and is not deemed to use or hold FSX Shares, New FSX Shares, or SpinCo Shares in a business carried on in Canada (a "**Non-Resident Holder**").

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is (i) an insurer that carries on an insurance business in Canada and elsewhere, or (ii) an "authorized foreign bank" (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Exchange of FSX Shares for New FSX Shares and SpinCo Shares

The discussion of the tax consequences of the Share Exchange for Resident Holders under the heading "*Holders Resident in Canada – Exchange of FSX Shares for New FSX Shares and SpinCo Shares*" generally will also apply to Non-Resident Holders in respect of the Share Exchange.

Taxation of Dividends

Dividends paid or credited, or deemed to be paid or credited, on FSX Shares, New FSX Shares, or SpinCo Shares will generally be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend, subject to any reduction in the rate of withholding under any applicable income tax treaty or convention between Canada and the country of residence of the Non-Resident Holder.

Taxation of Capital Gains and Capital Losses

Generally, a Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition or deemed disposition of a FSX Share, New FSX Share, or SpinCo Share, nor will capital losses arising therefrom be recognized under the Tax Act, unless, the FSX Share, New FSX Share, or SpinCo Share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the gain is not exempt from tax pursuant to the terms of an applicable income tax treaty or convention.

Provided the FSX Shares, New FSX Shares, or SpinCo Shares, as the case may be, are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSXV), at the time the FSX Shares, New FSX Shares, or SpinCo Shares, as the case may be, are disposed of, the FSX Shares, New FSX Shares, or SpinCo Shares will generally not constitute taxable Canadian Property to a Non-Resident Holder at a particular time, unless, at any time during the 60-month period immediately preceding the disposition of the share, the following two conditions have been met concurrently:

> (a) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal with at arm's length, partnerships in which the Non-Resident Holder or persons with whom the Non-Resident Holder did not deal with at arm's length holds a membership interest, directly or indirectly, through one or more partnerships, or the Non-Resident Holder together with all such foregoing persons and partnerships, owned 25% or more of the issued shares of any class or series of FSX's or SpinCo's, as the case may be, capital stock, and
>
> (b) more than 50% of the fair market value of the FSX Shares, the New FSX Shares, or the SpinCo Shares, as the case may be, was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act), or options in respect of, or interests in, or civil law rights in such property, whether or not such property exists.

Further, a SpinCo Share of a Non-Resident Holder will not be taxable Canadian property of the Non-Resident Holder at any time at which the share is **not** listed on a "designated stock exchange" unless, at any time during the 60

months immediately preceding the disposition of the share, the share derived more than 50% of its fair market value directly or indirectly from, or from any combination of, real property situated in Canada, "Canadian resource properties", "timber resource properties" (as those terms are defined in the Tax Act), or options in respect of, or interests in, or civil law rights in such property, whether or not such property exists.

Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, FSX Shares, New FSX Shares, or SpinCo Shares which are not otherwise taxable Canadian property could be deemed to be taxable Canadian property.

If the FSX Shares, New FSX Shares, or SpinCo Shares, as the case may be, are taxable Canadian property to a Non-Resident Holder any capital gain realized on the disposition or deemed disposition of such FSX Shares, New FSX Shares, or SpinCo Shares, as the case may be, may not be subject to Canadian federal income tax pursuant to the terms of an applicable income tax treaty or convention between Canada and the country of residence of a Non-Resident Holder.

A Non-Resident Holder whose FSX Shares, New FSX Shares, or SpinCo Shares may be taxable Canadian property, should consult their own tax advisors with respect to the consequences of disposing of a FSX Share, New FSX Share, or SpinCo Share.

Dissenting Non-Resident Holders

The discussion above applicable to Resident Holders under the heading "*Holders Resident in Canada - Dissenting Resident Holders*" will generally also apply to a Non-Resident Holder who validly exercises Dissent Rights in respect of the Arrangement. In general terms, the Non-Resident Holder will be subject to Canadian withholding tax in respect of any deemed taxable dividend arising as a consequence of the exercise of Dissent Rights generally as discussed above under the heading "*Holders Not Resident in Canada – Taxation of Dividends*" and subject to the Canadian federal income tax treatment in respect of any capital gain or loss arising as a consequence of the exercise of Dissent Rights generally as discussed above under the heading "*Holders Not Resident in Canada – Taxation of Capital Gains and Capital Losses*".

APPROVAL OF SPINCO SALE RESOLUTION

If the Arrangement Resolution is approved at the Meeting, Shareholders will also be asked to consider and, if deemed appropriate, pass an ordinary resolution approving sale by FSX to SpinCo of the SpinCo Projects. See "Disposition of the SpinCo Projects" in Schedule H. The SpinCo Sale Resolution, as it may be amended from time to time, shall be in substantially the form set forth in Schedule B.

APPROVAL OF SPINCO OPTION PLAN

If the Arrangement Resolution is approved at the Meeting, Shareholders will also be asked to consider and, if deemed appropriate, pass an ordinary resolution approving the SpinCo Option Plan. See "**Incentive Plan**" in Schedule H. The SpinCo Option Plan Resolution, as it may be amended from time to time, shall be in substantially the form set forth in Schedule B.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, it is intended that the Proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

INTERESTS OF EXPERTS

Information relating to the SpinCo Projects in this Circular is derived from the technical report prepared for the benefit of SpinCo after completion of the Arrangement, the Amalgamation and the transactions contemplated by the Purchase Agreement effectively dated August 10, 2020 by Stuart Hutchin of Mining One Pty Ltd. and has been included in reliance on such persons' expertise. To FSX's knowledge, Mr. Hutchin is a "qualified person" as such

term is defined in NI 43-101. To FSX's knowledge, as at the date hereof, Mr. Hutchin does not beneficially own any FSX Shares or other securities of FSX.

Information relating to the SpinCo Projects in this Circular has been reviewed and approved by Stuart Hutchin, a "qualified person" within the meaning of NI 43-101.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under its profile on SEDAR at www.sedar.com. Shareholders may contact the Corporation by mail at: Attention Corporate Secretary, Suite 488 – 1090 West Georgia St. Vancouver, BC V6E 3V7, by facsimile at 604-826-1759 and by telephone at 1-833-923-3334 (toll-free) to request copies of the Corporation's financial statements and MD&A.

Financial information for the Corporation's most recently completed financial year is provided in its comparative financial statements and MD&A which are filed on SEDAR.

DATED this 9th day of October, 2020

ON BEHALF OF THE BOARD OF DIRECTORS

(s) Bryan Slusarchuk

Bryan Slusarchuk, President and CEO

Consent of Clarus Securities Inc.

To the Board of Directors of Fosterville South Exploration Ltd.

We refer to the opinion letter dated September 14, 2020 which we prepared for the Board of Directors of Fosterville South Exploration Ltd. ("**FSX**") in connection with the plan of arrangement involving FSX, Leviathan Gold Ltd., and Leviathan Gold Finance Ltd. ("**Finco**").

We consent to the inclusion of the opinion letter set out as Schedule M to the joint management information circular of FSX and Finco dated October 9, 2020.

Toronto, Canada

October 9, 2020

(Signed) "*Clarus Securities Inc.*"

SCHEDULE A
ARRANGEMENT RESOLUTION

RESOLUTION OF THE HOLDERS OF COMMON SHARES OF FOSTERVILLE SOUTH EXPLORATION LTD.

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the arrangement (the "**Arrangement**") under Section 288 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") involving Fosterville South Exploration Ltd. ("**FSX**"), Leviathan Gold Ltd. ("**SpinCo**"), Leviathan Gold Finance Ltd. ("**Finco**") and the shareholders of FSX, all as more particularly described and set forth in the notice of annual and special meeting and joint management information circular (the "**Circular**") of FSX and Finco dated October 9, 2020 (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted;

2. the arrangement agreement (the "**Arrangement Agreement**") between FSX, SpinCo and Finco dated October 1, 2020 and all the transactions contemplated therein, the full text of which is attached as Schedule Schedule C to the Circular, the actions of the directors of FSX in approving the Arrangement and the actions of the directors and officers of FSX in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved;

3. the plan of arrangement (the "**Plan of Arrangement**") of FSX implementing the Arrangement, the full text of which is set out in Schedule "A" to the Arrangement Agreement (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted;

4. notwithstanding that this resolution has been passed (and the Arrangement approved) by the securityholders of FSX or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of FSX are hereby authorized and empowered, without further notice to, or approval of, the securityholders of FSX to:

    (a) amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or

    (b) subject to the terms of the Arrangement Agreement, not proceed with the Arrangement;

5. FSX is hereby authorized to apply for a final order from the Supreme Court of British Columbia to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be, or may have been, modified, supplemented or amended);

6. any director or officer of FSX is hereby authorized and directed for and on behalf of FSX to execute, whether under corporate seal of FSX or otherwise, and to deliver articles of arrangement and such other documents as are necessary or desirable to the Director under the BCBCA in accordance with the Arrangement Agreement for filing; and

7. any one or more directors or officers of FSX is hereby authorized, for and on behalf and in the name of FSX, to execute and deliver, whether under corporate seal of FSX or otherwise, all such agreements, forms, waivers, notices, certificate, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

    (a) all actions required to be taken by or on behalf of FSX, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and

(b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by FSX;

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE B
SPINCO SALE RESOLUTION AND SPINCO OPTION PLAN RESOLUTION

Spinco Sale Resolution

BE IT RESOLVED AS AN ORDINARY RESOLUTION that:

1. Subject to the completion of the arrangement involving Fosterville South Exploration Ltd. ("**FSX**"), Leviathan Gold Ltd. ("**SpinCo**"), and Leviathan Gold Finance Inc. ("**Finco**"), as more particularly described in the notice of annual and special meeting and joint management information circular (the "**Circular**") of FSX and Finco dated October 9, 2020, the sale of the SpinCo Projects to SpinCo or its affiliates is hereby authorized, approved, provided that this resolution shall not become effective unless the Arrangement (as defined in the Circular) becomes effective; and

2. Any one director or officer of FSX is hereby authorized, for and on behalf of FSX, to execute and deliver, whether under the corporate seal of FSX or otherwise, all documents, filings and instruments and take all such other actions as may be necessary or desirable to implement and give full effect to this ordinary resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, filings or instruments and the taking of any such actions.

SpinCo Option Plan Resolution

BE IT RESOLVED AS AN ORDINARY RESOLUTION that:

1. Subject to the completion of the arrangement involving Fosterville South Exploration Ltd. ("**FSX**"), Leviathan Gold Ltd. ("**SpinCo**"), and Leviathan Gold Finance Inc. ("**Finco**"), as more particularly described in the notice of annual and special meeting and joint management information circular (the "**Circular**") of FSX and Finco dated October 9, 2020, the stock option plan (the "**SpinCo Option Plan**") substantially in the form attached as Schedule L to the Circular is hereby authorized, approved and shall be adopted by SpinCo on behalf of SpinCo and SpinCo's shareholders as the stock option plan for SpinCo, provided that this resolution shall not become effective unless the Arrangement (as defined in the Circular) becomes effective; and

2. Any one director or officer of SpinCo is hereby authorized, for and on behalf of SpinCo, to execute and deliver, whether under the corporate seal of SpinCo or otherwise, all documents, filings and instruments and take all such other actions as may be necessary or desirable to implement and give full effect to this ordinary resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, filings or instruments and the taking of any such actions.

SCHEDULE C
ARRANGEMENT AGREEMENT, INCLUDING PLAN OF ARRANGEMENT

(see attached)

EXECUTION VERSION

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is made effective the 1st day of October, 2020,

BETWEEN:

FOSTERVILLE SOUTH EXPLORATION LTD., a company incorporated under the provisions of the *Business Corporations Act* (British Columbia)

("**FSX**")

AND:

LEVIATHAN GOLD LTD., a company incorporated under the provisions of the *Business Corporations Act* (British Columbia)

("**Spinco**")

AND:

LEVIATHAN GOLD FINANCE LTD., a company incorporated under the provisions of the *Business Corporations Act* (British Columbia)

("**Finco**")

WHEREAS:

A. FSX and Spinco have entered into this Agreement to provide for, among other things, the issuance of one FSX New Share and one Spinco Share to each holder of a FSX Share, all by way of plan of arrangement;

B. FSX proposes to convene a meeting of its shareholders to, among other things, approve the transactions comprising the Arrangement in accordance with the Interim Order, the policies of the Exchange and the BCBCA; and

C. Spinco, Spinco Subco and Finco intend to enter into an amalgamation agreement whereby following the Effective Date, Spinco Subco and Finco shall amalgamate to form the Resulting Issuer, with the same effect as if they had amalgamated under Section 269 of the BCBCA and the Resulting Issuer shall be a wholly-owned subsidiary of Spinco.

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

1. Definitions and Interpretation

1.1 Definitions

In this Agreement, including the recitals hereto, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

(a) "**Agreement**" means this arrangement agreement including the schedules hereto as the same may be supplemented or amended from time to time;

(b) "**Amalgamation**" means the statutory amalgamation of Spinco Subco and Finco following the Effective Date pursuant to the provisions of the BCBCA, with the Resulting Issuer as the successor corporation;

(c) "**Amalgamation Agreement**" means the agreement to be entered by Spinco, Spinco Subco and Finco following the Effective Date in the form substantially the same as set out in Schedule B herein;

(d) "**Arrangement Resolution**" means the Special Resolution of the FSX Shareholders in respect of the Arrangement to be considered at the FSX Meeting, the full text of which is attached as Appendix "A" to the Plan of Arrangement;

(e) "**Arrangement**" means the arrangement of FSX under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto in accordance with Section 5.1 of this Agreement or Article 6 of the Plan of Arrangement or at the direction of the Court in the Final Order with the consent of FSX, Spinco and Finco, each acting reasonably;

(f) "**Authorized Capital Amendment**" means the creation of New FSX Shares by way of amendment to the articles of FSX;

(g) "**BCBCA**" means the *Business Corporations Act* (British Columbia);

(h) **"Business Day"** means a day which is not a Saturday, Sunday or statutory holiday or a day on which banks in Toronto or Vancouver are not open for business;

(i) "**Charter Documents**" means, as applicable, articles and by-laws, memorandum and articles of association or other similar constating documents of any body corporate;

(j) "**Concurrent Financing**" has the meaning set out in Subsection 2.8;

(k) "**Consideration**" means the consideration to be received by FSX Shareholders (other than FSX Dissenting Shareholder(s)) pursuant to the Plan of Arrangement, being one FSX New Share and one Spinco Share for each FSX Share;

(l) "**Court**" means the Supreme Court of British Columbia;

(m) "**Dissent Rights**" has the meaning set forth in section 5.1 of the Plan of Arrangement;

(n) "**Effective Date**" means the date that FSX, Spinco and Finco agree in writing will be the date upon which the Arrangement becomes effective;

(o) "**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Parties agree in writing;

(p) "**Exchange**" means the TSX Venture Exchange;

(q) "**Final Order**" means the final order of the Court pursuant to Section 291 of the BCBCA, in a form acceptable to FSX, Spinco and Finco, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of the Parties which consent shall not be unreasonably withheld, conditioned or delayed) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to the Parties, each acting reasonably) on appeal;

(r) "**Finco Shareholders**" means the holders of Finco Shares;

(s) "**Finco Shares**" means the issued and outstanding common shares of Finco;

(t) "**Finco**" means Leviathan Gold Finance Ltd., a corporation incorporated under the laws of the Province of British Colombia;

(u) "**FSX Dissent Rights**" means the rights of dissent exercisable by the FSX Shareholders in respect of the Spinco Portion of the Arrangement pursuant to Section 238 of the BCBCA, Article 4 of the Plan of Arrangement and the Interim Order;

(v) "**FSX Dissenting Shareholder**" means a registered FSX Shareholder who duly exercises its FSX Dissent Rights with respect to the Spinco Portion of the Arrangement, and who has not withdrawn or been deemed to have withdrawn such exercise of FSX Dissent Rights;

(w) "**FSX Dissenting Shares**" means FSX Shares held by a FSX Dissenting Shareholder who has demanded and perfected FSX Dissent Rights in respect of its FSX Shares in accordance with Article 4 of the Plan of Arrangement and the Interim Order and who, as of the Effective Time, has not effectively withdrawn or lost such FSX Dissent Rights;

(x) "**FSX Meeting**" means the annual and special meeting of FSX Shareholders, including any adjournment or postponement thereof, to be called and held for the purpose of, among other things, obtaining the approval of the Arrangement Resolution, the Option Plan Resolution, the sale of certain mineral properties to Spinco or its affiliates by FSX or its affiliate (the "**Sale Resolution**") and other related matters in accordance with the Interim Order, as applicable;

(y) "**FSX New Shares**" means a common share of FSX in respect of the new class, known as Class A Common Shares, created as a result of the Arrangement without par value ranking *pari passu* with the FSX Shares.

(z) "**FSX Shareholders**" means the holders of FSX Shares;

(aa) "**FSX Shares**" means the issued and outstanding common shares of FSX;

(bb) "**FSX**" means Fosterville South Exploration Ltd., a corporation incorporated under the laws of the Province of British Colombia;

(cc) "**IFRS**" means international financial reporting standards;

(dd) "**Information Circular**" means the management information circular of FSX to be sent to the shareholders of FSX in connection with the FSX Meeting, including the schedules thereto, prepared in accordance with all applicable securities and corporate laws and stock exchange rules**;**

(ee) "**Interim Order**" means the interim order of the Court contemplated by Section 2.4 of the Arrangement Agreement and made pursuant to Section 291 of the BCBCA, in a form acceptable to FSX, Spinco and Finco, each acting reasonably, providing for, among other things, the calling and holding of the FSX Meeting, as the same may be amended by the Court (with the consent of the Parties, each acting reasonably);

(ff) "**Option Plan Resolution**" means the resolution in respect of approving the option plan in respect of Spinco;

(gg) "**Parties**" means FSX, Spinco and Finco, and "**Party**" means any of them;

(hh) "**Person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

(ii) "**Plan of Arrangement**" means the plan of arrangement in substantially the form of the plan of arrangement which is attached as Schedule "A" hereto and any amendments or variations thereto made in accordance with this Agreement, the Plan of Arrangement or upon the direction of the Court in the Final Order;

(jj) "**Registrar**" means the Registrar of Companies for the Province of British Columbia, duly appointed pursuant to Section 400 of the BCBCA;

(kk) "**Resulting Issuer Shares**" means the common shares in the capital of the Resulting Issuer;

(ll) "**Resulting Issuer**" means the successor corporation resulting from the Amalgamation following the completion of the transactions contemplated by the Arrangement Agreement, the Plan of Arrangement and the Amalgamation Agreement;

(mm) "**Spinco Shareholders**" means the holders of Spinco Shares;

(nn) "**Spinco Shares**" means the issued and outstanding common shares of Spinco;

(oo) "**Spinco**" means Leviathan Gold Ltd., a corporation incorporated under the laws of the Province of British Columbia;

(pp) "**Spinco Subco**" means a corporation to be incorporated under the laws of the Province of British Columbia which shall be a wholly-owned subsidiary of Spinco;

(qq) "**Subsidiary**" has the meaning ascribed thereto in National Instrument 45-106 - *Prospectus Exemptions*;

(rr) "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

(ss) "**Tax Returns**" means all federal, provincial, state, local and foreign tax returns, declarations, statements, reports, elections, filing, declarations, schedules, forms and information returns and any document relating to Taxes;

(tt) "**Taxes**" means all federal, provincial, state, local and foreign taxes, and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax, or penalties applicable thereto; and

(uu) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

1.2 Schedules

The following schedules are incorporated into this Agreement by reference:

Schedule	Description
Schedule A	Plan of Arrangement
Schedule B	Form of Amalgamation Agreement

1.3 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided herein:

(a) "this Agreement" means this Agreement, including the Schedules hereto, as it may from time to time be supplemented or amended;

(b) all references in this Agreement to a designated Article, section, subsection, paragraph, or other subdivision, or to a Schedule, is to the designated Article, section, subsection, paragraph or other subdivision of or Schedule to this Agreement unless otherwise specifically stated;

(c) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, section, subsection, paragraph or other subdivision of or Schedule to this Agreement;

(d) the singular of any term includes the plural and vice versa and the use of any term is equally applicable to any gender and where applicable to a body corporate;

(e) the word "or" is not exclusive and the word "including" is not limiting (whether or not non-limiting language such as "without limitation" or "but not limited to" or other words of similar import are used with reference thereto);

(f) any words used herein which are defined in the BCBCA, unless otherwise defined herein or unless there is something in the subject matter or context inconsistent therewith, have the meanings ascribed to such words in the BCBCA;

(g) all accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with generally accepted accounting principles applicable in Canada;

(h) except as otherwise provided, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which have the effect of supplementing or superseding such statute or such regulations;

(i) where the phrase "to the best of the knowledge of" or phrases of similar import are used in this Agreement, it shall be a requirement that the person in respect of whom the phrase is used shall have made such due enquiries as are reasonably necessary to enable such person to make the statement or disclosure;

(j) the headings to the Articles, sections, subsection, paragraphs or other subdivisions of this Agreement are inserted for convenience only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;

(k) any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity; and

(l) the parties acknowledge that this Agreement is the product of arm's length negotiation between the parties, each having obtained its own independent legal advice, and that this Agreement shall be construed neither strictly for, nor strictly against, any party irrespective of which party was responsible for drafting this Agreement.

2. Plan of Arrangement

2.1 The Arrangement

The parties hereto agree to complete the Arrangement pursuant to the provisions of Part 9, Division 5 of the BCBCA, on the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement and shall use all reasonable commercial efforts to give effect to the Arrangement on the terms contemplated herein and, in particular, shall take the following steps:

(a) FSX shall provide to Spinco confirmation, as soon as reasonably practicable after the execution of this Agreement, that FSX has made an initial submission to the Exchange for the Exchange's preliminary approval regarding the transactions to be carried out in connection with the Arrangement in accordance with applicable Exchange policies;

(b) following execution of this Agreement, FSX shall apply to the Court pursuant to Part 9, Division 5 of the BCBCA for an Interim Order providing for, among other things, the calling and holding of the FSX Meeting.

(c) the Parties intend that the issuance of FSX New Shares and Spinco Shares to the FSX Shareholders pursuant to the Arrangement will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof, and in compliance with all applicable U.S. state securities laws. In order to ensure the availability of the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act, the Parties agree that the Arrangement will be carried out on the following basis:

(i) the Arrangement will be subject to the approval of the Court;

(ii) prior to the hearing before the Court at which the fairness of the Arrangement is to be adjudged, the Court will be advised of the intention of the Parties to rely on the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the FSX New Shares and Spinco Shares in exchange for the FSX Shares pursuant to the Arrangement based on the Court's approval of the Arrangement;

(iii) the Court will be required to satisfy itself that the Arrangement is fair to the FSX Shareholders;

(iv) FSX will ensure that each FSX Shareholder entitled to receive FSX New Shares and Spinco Shares pursuant to the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;

(v) the FSX Shareholders will be advised that FSX New Shares and Spinco Shares issued in exchange for the FSX Shares pursuant to the Arrangement have not been registered under the U.S. Securities Act and will be issued by FSX and Spinco in reliance on the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act;

(vi) the Interim Order approving the FSX Meeting will specify that each FSX Shareholder will have the right to appear before the Court at the hearing so long as they enter an appearance within a reasonable time;

(vii) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the FSX Shareholders; and

(viii) the FSX New Shares and Spinco Shares to be issued and exchanged pursuant to the Arrangement shall not be subject to resale restrictions in the United States under the U.S. Securities Act, except by persons who are "affiliates" (as defined in Rule 144(a)(3) under the U.S. Securities Act) of FSX or Spinco after the Effective Date, or were "affiliates" of FSX or Spinco within 90 days prior to the Effective Date;

(d) FSX shall call the FSX Meeting for the purpose of considering and, if deemed advisable, approving the transactions comprising the Arrangement, the annual matters, the Sale Resolution and the Option Plan Resolution in accordance with Exchange policies;

(e) FSX shall, if the Arrangement is approved by the shareholders of FSX in accordance with the articles and Notice of Articles of FSX, the policies of the Exchange, the BCBCA and the Interim Order, proceed to make application for the Final Order as soon as reasonably practicable after the date on which the FSX Meeting is held, and shall diligently prosecute the application for the Final Order (in accordance with and subject to the terms of the Interim Order);

(f) as soon as practicable after receipt of the Final Order, FSX shall apply to the Exchange for its final consent to completion and effectiveness of the Arrangement;

(g) if the Final Order is obtained, subject to the satisfaction, waiver or release of the conditions set out in this Agreement, including receipt of all outstanding approvals, FSX will complete the Arrangement, and FSX will file a certified copy of the Final Order and such other documents as are required to be filed under the BCBCA for acceptance by the Registrar to give effect to the Arrangement pursuant to Section 291(4) of the BCBCA; and

(h) immediately following the filing of the Final Order with the Registrar, FSX and Spinco shall take such other steps as may be necessary to give effect to the Plan of Arrangement, including issuance and delivery of certificates (or direct registration or other book-entry system confirmations) and other documents representing the securities of FSX and Spinco to be issued or transferred, as the case may be, to the FSX Shareholders, as contemplated in the Plan of Arrangement.

2.2 Effective Date of Arrangement

The Arrangement shall become effective on the Effective Date and the steps to be carried out pursuant to the Plan of Arrangement will become effective as set forth above immediately after one another in the sequence set out therein or as otherwise specified in the Plan of Arrangement.

2.3 Commitment to Effect Arrangement

Subject to the satisfaction of the terms and conditions contained in this Agreement, FSX, Spinco and Finco shall each use all reasonable efforts and do all things reasonably required to cause the Arrangement to become effective as soon as reasonably practicable and to cause the transactions contemplated by the Plan of Arrangement and this Agreement to be completed in accordance with their terms.

2.4 Interim and Final Order

Subject to the satisfaction of the terms and conditions contained in this Agreement, FSX covenants and agrees that it will, as soon as reasonably practicable, apply to the Court for the Interim Order, such application providing for, among other things, the calling and holding of the FSX Meeting for the purpose of, among other matters, the FSX Shareholders considering and, if deemed advisable, approving the Arrangement Resolution, and that, if the approval by the FSX Shareholders of the Arrangement Resolution as set forth in the Interim Order is obtained by FSX, as soon as reasonably practicable thereafter FSX will take the necessary steps to submit the Arrangement to the Court and apply for the Final Order, requesting an order of the Court approving the transactions contemplated herein and the procedural and substantive fairness of the terms and conditions of the exchange, after notice and a hearing upon the fairness of such terms and conditions at which all FSX Shareholders have the right to appear.

2.5 Effective Date

Subject to the rights of termination contained in Article 6 hereof, upon FSX obtaining the Final Order and the other conditions contained in Article 5 hereof being complied with or waived, FSX, Spinco and Finco shall execute and deliver such other documents, if any, as may be required in order to effect the Arrangement and the Arrangement shall become effective on the Effective Date.

2.6 Post-Effective Time Procedures

Following the receipt of the Final Order and prior to the Effective Date, FSX shall deliver or arrange to be delivered to the depositary such number of FSX New Shares and Spinco Shares in certificated or book-entry form required to be issued pursuant to the Plan of Arrangement.

2.8 Concurrent Financing

FSX and Spinco expressly acknowledge and agree that Finco may conduct one or more financings of securities of Finco following the date hereof, despite anything to the contrary herein (a "**Concurrent Financing**"). Any Spinco Shares issued to Finco Shareholders in the United States following completion of the Amalgamation will be "restricted securities" (as such term is defined in Rule 144 under the U.S. Securities Act), and the certificates representing such Spinco Shares will be bear a legend restricting such transfer without compliance with the requirements of an exemption or exclusion from the registration requirements of the U.S. Securities Act and all applicable U.S. state securities laws.

3. Covenants

3.1 Covenants of Finco

Finco hereby covenants and agrees with each of FSX and Spinco as follows:

(a) Finco will carry on business in the ordinary course and will not enter into any transaction or incur any obligation or liability out of the ordinary course of business, except as contemplated in this Agreement;

(b) Except pursuant to the Amalgamation, Finco will not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with, any other Person or perform any act or enter into any transaction or

negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby and, without limiting the generality of the foregoing, Finco will not:

(i) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of its shareholders,

(ii) issue any shares or other securities convertible into or exchangeable for shares or enter into any commitment or agreement therefor except for any securities issues in connection with the Concurrent Financing, or

(iii) increase or decrease its capital;

(c) Finco will not alter or amend its Charter Documents as the same exist at the date of this Agreement, except as contemplated in this Agreement;

(d) Finco will not engage in any business, enterprise or activity materially different from that carried on by it at the date of this Agreement or enter into any transaction or incur any obligation if the same would have a material adverse effect on Finco or the Arrangement, other than in the ordinary course of business, except as contemplated in this Agreement;

(e) Finco will do all such other acts and things as may be necessary or required in order to give effect to the Arrangement and, without limiting the generality of the foregoing, Finco will use its best efforts to apply for and obtain all such other consents, orders and approvals as counsel may advise are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 5.1;

(f) Finco will use all reasonable efforts to cause each of the conditions precedent set forth in Article 5 hereof to be complied with on or before the Effective Date; and

(g) the Information Circular will not contain an untrue statement of a material fact concerning Finco and will not omit to state a material fact concerning Finco that is required to be stated to make a statement contained therein not misleading in the light of the circumstances in which it is made.

3.2 Non-Solicitation

Each of Spinco and Finco agrees that it will not, directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise, take any direct or indirect action to: (a) solicit, initiate, encourage, engage in or respond to any inquiries, submissions, proposals or offers regarding any merger, amalgamation, share exchange, business combination, take-over bid, sale or other disposition of material assets, recapitalization, reorganization, liquidation, sale or issuance of a material number of treasury securities or rights or interests therein or thereto or rights or options to acquire any material number of treasury securities or any type of similar transaction involving such party or any of its subsidiaries other than with the other party hereto (each an "**Acquisition Proposal**"), (b) encourage or participate in any discussions or negotiations regarding any Acquisition Proposal, (c) agree to, approve or recommend an Acquisition Proposal, or (d) enter into any agreement related to an Acquisition Proposal. Each party hereto represents and warrants that it is not currently in any discussions or negotiations with any person (other than

with the other party hereto) with respect to any potential Acquisition Proposal. Each party hereto shall promptly notify the other party of any future Acquisition Proposal which any director, senior officer or agent of a party hereto is or becomes aware of, any amendment to any of the foregoing or any request for non-public information received by a party hereto. Such notice shall include a description of the material terms and conditions of any such proposal, the identity of the person making such proposal, inquiry, request or contact and any written materials provided in connection with such proposal.

3.3 Exchange Approval

FSX will use its reasonable best efforts to have the Arrangement accepted for filing by the Exchange. The parties acknowledge that the Exchange will not accept the Arrangement for filing unless all of the terms of the Arrangement comply with the policies of the Exchange.

3.4 Dissenting Shares

FSX Shareholders may exercise rights of dissent with respect to their FSX Shares in connection with the Arrangement pursuant to and in the manner set forth in the Plan of Arrangement. FSX shall give Spinco and Finco prompt notice of any written notice of a dissent, withdrawal of such notice, and any other instruments served pursuant to the right of dissent and received by FSX.

3.5 Public Communications

All press releases or other public announcements concerning the transactions contemplated by this Agreement or under the Arrangement or the Amalgamation shall be made upon obtaining the prior consent of FSX. Finco shall not issue any press release or other public announcement without obtaining the express consent of FSX, acting reasonably.

3.6 Expenses

Each of FSX (on behalf of itself and Spinco) and Finco shall pay for their own respective costs and expenses in connection with the Arrangement and the Amalgamation, including expenses related to the preparation, execution and delivery of this Agreement and such other documents required hereunder.

3.7 Withholding Taxes

The Parties, the depositary and any Person making any payment on their behalf shall be entitled to deduct and withhold from any consideration or amount payable or otherwise deliverable to any Person hereunder and from amounts payable to any Person (including, for greater certainty, any FSX Shareholder and any FSX Dissenting Shareholder) such amounts as any of the Parties or the depositary or any Person on their behalf may be required or permitted to deduct and withhold therefrom under any provision of applicable laws in respect of Taxes. To the extent that such amounts are so deducted, withheld and remitted, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

4. Conditions

4.1 Mutual Conditions Precedent

The respective obligations of FSX, Spinco and Finco to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of the following conditions:

(a) the Interim Order shall have been granted in form and substance satisfactory to each of FSX, Spinco and Finco, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the parties, acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved, with or without amendment, at the FSX Meeting in accordance with the terms of this Agreement and the requirements of the Exchange and the Exchange shall have accepted the Arrangement for filing, subject to compliance with the usual requirements of the Exchange;

(c) the Final Order shall have been obtained in form and substance satisfactory to each of FSX, Spinco and Finco, acting reasonably, and, in issuing the Final Order, the Court shall have determined, among other things, that the issuance of the FSX New Shares and the Spinco Shares to FSX Shareholders pursuant to the terms of the Arrangement is procedurally and substantively fair to the holders of such securities;

(d) the Final Order shall have been accepted for filing by the Registrar;

(e) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Arrangement including the approval of the Exchange, shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, and all other applicable regulatory requirements and conditions shall have been complied with;

(f) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated under this Agreement or under the Plan of Arrangement and there shall be no proceeding, whether of a judicial or administrative nature or otherwise, in progress or threatened that relates to or results from the transactions contemplated under this Agreement that would, if successful, result in an order or ruling that would preclude completion of the transactions contemplated under this Agreement or under the Plan of Arrangement in accordance with the terms and conditions hereof or thereof;

(g) there shall not exist any prohibition at law against the completion of the Arrangement; and

(h) this Agreement shall not have been terminated under Article 6.

4.2 Conditions to Obligations of Each Party

The obligation of any party to complete the transactions contemplated by this Agreement is further subject to the condition, which may be waived by such party without prejudice to its right to rely on any other condition in favour of such party, that the covenants of the other parties hereto to be performed on or before the Effective Date pursuant to the provisions of this Agreement shall have been duly performed by each of them and that, except as affected by the transactions contemplated by this Agreement, the representations and warranties of the other parties shall be true and correct in all material respects as at the Effective Date, with the same effect as if such representations and warranties had been made at, and as of, each such time (except for representations and warranties that refer to another date, which shall be true as of that date) and each such party shall have received a certificate, on and dated the Effective Date, of a senior officer of the other parties confirming the same.

4.3 Additional Conditions Precedent to the Obligations of each of the Parties

The obligations of FSX, Spinco and Finco to complete the transactions contemplated hereby and the Plan of Arrangement and the obligation of FSX to file a certified copy of the Final Order with the Plan of Arrangement and such other documents as are required to be filed under the BCBCA for acceptance by the Registrar to give effect to the Arrangement pursuant to section 291(4) of the BCBCA shall also be subject to the fulfilment, or waiver by FSX , Spinco and Finco, as the case may be, of each of the following conditions:

(a) there shall have been no material adverse change in the business, operations or assets of FSX, Spinco or Finco, respectively, each taken as a whole, nor shall any change of law have occurred which, in the reasonable judgment of any of the Parties, has or will have a material adverse effect on the business, assets, financial condition or results of operations of FSX, Spinco or Finco, as the case may be, each taken as a whole;

(b) all consents and approvals under any agreements or licences to which any of FSX, Spinco or Finco may be a party or bound which are required or necessary or desirable for the completion of the transactions contemplated under this Agreement or under the Arrangement shall have been obtained or received; and

(c) dissent rights shall not have been exercised prior to the Effective Date by holders of FSX Shares representing in the aggregate 5% or more of the FSX Shares outstanding at such time.

5. Amendment and Termination

5.1 Amendment

This Agreement may, at any time and from time to time before and after the holding of the FSX Meeting, but not later than the Effective Date, be amended by written agreement of FSX, Spinco and Finco without, subject to applicable law, further notice to or authorization on the part of the shareholders of FSX, Spinco or Finco. Without limiting the generality of the foregoing, any such amendment may:

(a) change the time for the performance of any of the obligations or acts of FSX, Spinco or Finco;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document to be delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants contained herein or waive or modify the performance of any of the obligations of FSX, Spinco or Finco; or

(d) make such alterations in this Agreement (including the Plan of Arrangement) as the Parties may consider necessary or desirable in connection with the Interim Order or the Final Order.

provided that, notwithstanding the foregoing, the terms of Article Three of the Plan of Arrangement shall not be amended without the approval of the shareholders of FSX given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court. This Agreement and the Plan of Arrangement may be amended in accordance with the Final Order.

5.2 Rights of Termination

If any of the conditions contained in Section 5.1, 5.2 or 5.3 shall not be fulfilled or performed on or before the Effective Date by any of FSX, Spinco or Finco, any Party hereto may terminate this Agreement by notice to the other Parties and in such event, such Party shall be released from all obligations under this Agreement, all rights of specific performance and, unless such Party can show that the condition or conditions the non-performance of which has caused such Party to terminate this Agreement were reasonably capable of being performed by one or more of the other Parties, then all of the other Parties shall also be released from all obligations hereunder; provided that if such Party can show that one or more of the other Parties could reasonably have performed such condition or conditions then those Parties shall not be released from their obligations hereunder and further provided that any of such conditions may be waived in full or in part by any of the Parties without prejudice to its rights of termination in the event of the non-fulfilment or non-performance of any other condition.

6. General

6.1 Notices

All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be served personally, by email or by telecopy, in each case addressed at:

(a) in the case of FSX or Spinco:
Suite 488, 1090 West Georgia Street
Vancouver, BC
V6E 3V7

Attention: Charles C. Hethey
Email: cch@stockslaw.com

with a copy to:

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400

Toronto, Ontario
M5H 2T6

Attention: Krisztian Toth
Email: ktoth@fasken.com

(b) in the case of Finco:
Suite 488, 1090 West Georgia Street
Vancouver, BC
V6E 3V7

Attention: Krisztian Toth
Email: ktoth@fasken.com

6.2 Assignment

No Party may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other Parties.

6.3 Binding Effect

This Agreement and the Arrangement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

6.4 Waiver

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing and executed by the Party granting such waiver or release. Waivers may only be granted upon compliance with the terms governing amendments set forth in Section 6.1 hereof.

6.5 Governing Law

This Agreement shall be governed by and be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

6.6 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

6.7 Entire Agreement

This Agreement, together with the agreements and other documents herein or therein referred to, constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between Parties.

6.8 Time of Essence:

Time is of the essence of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date hereinbefore written.

FOSTERVILLE SOUTH EXPLORATION LTD.

Per:

"Bryan Slusarchuk"

_____

LEVIATHAN GOLD LTD.

Per:

"Charles Hethey"

_____

LEVIATHAN GOLD FINANCE LTD.

Per:

"Krisztian Toth"

_____

SCHEDULE "A"

PLAN OF ARRANGEMENT

(see attached)

UNDER SECTION 288 OF THE

BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, capitalized terms used but not defined shall have the meanings ascribed to them below:

"**Affected Person**" has the meaning ascribed thereto in Section 5.5 of this Plan of Arrangement;

"**Amalgamation**" means the statutory amalgamation of Spinco Subco and Finco following the Effective Date pursuant to the provisions of the BCBCA, with the Resulting Issuer as the successor corporation and a corporation which is wholly-owned by Spinco;

"**Arrangement**" means the arrangement of FSX under Section 288 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto in accordance with Section 5.1 of the Arrangement Agreement or Article 6 of this Plan of Arrangement or at the direction of the Court in the Final Order with the consent of FSX, Spinco and Finco, each acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement dated October 1, 2020 among FSX, Spinco, and Finco, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Broker**" has the meaning ascribed thereto in Subsection 5.5(a);

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory or civic holiday in any of Vancouver, British Columbia or Toronto, Ontario;

"**Consideration**" means the consideration to be received by FSX Shareholders (other than FSX Dissenting Shareholder(s)) pursuant to this Plan of Arrangement, being one FSX New Share and one Spinco Share for each FSX Share;

"**Court**" means the Supreme Court of British Columbia;

"**Depositary**" means any one or more Canadian trust companies, banks or other financial institutions agreed to in writing by the Parties;

"**Effective Date**" means the date that FSX, Spinco and Finco agree in writing will be the date upon which the Arrangement becomes effective;

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Parties agree in writing;

"**Final Order**" means the final order of the Court pursuant to Section 291 of the BCBCA, in a form acceptable to FSX, Spinco and Finco, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of the Parties which consent shall not be unreasonably withheld, conditioned or delayed) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to the Parties, each acting reasonably) on appeal;

"**final proscription date**" has the meaning ascribed thereto in Section 5.6 of this Plan of Arrangement;

"**Finco**" means Leviathan Gold Finance Ltd., a corporation incorporated under the laws of the Province of British Colombia;

"**Finco Shareholders**" means the holders of Finco Shares;

"**Finco Shares**" means the issued and outstanding common shares of Finco;

"**FSX**" means Fosterville South Exploration Ltd., a corporation incorporated under the laws of the Province of British Colombia;

"**FSX Dissent Rights**" means the rights of dissent exercisable by the FSX Shareholders in respect of the Spinco Portion of the Arrangement pursuant to Section 238 of the BCBCA, Article 4 of this Plan of Arrangement and the Interim Order;

"**FSX Dissenting Shareholder**" means a registered FSX Shareholder who duly exercises its FSX Dissent Rights with respect to the Spinco Portion of the Arrangement, and who has not withdrawn or been deemed to have withdrawn such exercise of FSX Dissent Rights;

"**FSX Dissenting Shares**" means FSX Shares held by a FSX Dissenting Shareholder who has demanded and perfected FSX Dissent Rights in respect of its FSX Shares in accordance with Article 4 of this Plan of Arrangement and the Interim Order and who, as of the Effective Time, has not effectively withdrawn or lost such FSX Dissent Rights;

"**FSX Meeting**" means the special meeting of FSX Shareholders, including any adjournment or postponement thereof, to be called and held for the purpose of obtaining the approval of the Arrangement Resolution and other related matters in accordance with the Interim Order, as applicable;

"**FSX Shareholders**" means the holders of FSX Shares;

"**FSX Shares**" means the issued and outstanding common shares of FSX;

"**FSX New Shares**" means a common share of FSX in respect of the new class, known as Class A Common Shares, created as a result of the Arrangement without par value ranking *pari passu* with the FSX Shares.

"**Governmental Entity**" means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any stock exchange, including the TSX Venture Exchange; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any jurisdiction, regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Entity;

"**Interim Order**" means the interim order of the Court contemplated by Section 2.4 of the Arrangement Agreement and made pursuant to Section 291 of the BCBCA, in a form acceptable to FSX, Spinco and Finco, each acting reasonably, providing for, among other things, the calling and holding of the FSX Meeting, as the same may be amended by the Court (with the consent of the Parties, each acting reasonably);

"**Law**" or "**Laws**" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, rulings, ordinances, Governmental Orders or other requirements, whether domestic or foreign, including but not limited to, all applicable requirements of state, provincial and municipal laws, rules and regulations, and the terms and conditions of any Permit of or from any Governmental Entity or self-regulatory authority (including the TSX Venture Exchange), and the term "**applicable**" with respect to such Laws and in a context that refers to a Party, means such Laws as are applicable to such Party and/or its Subsidiaries or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party and/or its Subsidiaries or its or their business, undertaking, property or securities;

"**Liens**" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"**Notices**" means any written notice, request, direction or other document that a Party can or must make or give under the Arrangement Agreement;

"**Outside Date**" means February 1, 2020 or such later date as may be agreed to in writing by the Parties;

"**Parties**" means FSX, Spinco and Finco, and "**Party**" means any of them;

"**Permit**" means any license, permit, certificate, consent, grant, approval, agreement, classification, restriction, registration, filing, notification or other authorization of, to, from or required by any Governmental Entity, including, but not limited to, all licenses, permits, and approvals necessary and required by applicable state, provincial and municipal Governmental Entities for the conduct of regulated medical and adult use cannabis businesses and activities;

"**Person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

"**Resulting Issuer**" means the successor corporation under the Amalgamation following the completion of the transactions contemplated by the Arrangement Agreement and this Plan of Arrangement;

"**Resulting Issuer Shares**" means the common shares in the capital of the Resulting Issuer;

"**Spinco**" means Leviathan Gold Ltd., a corporation incorporated under the laws of the Province of British Columbia;

"**Spinco Subco**" means a corporation to be incorporated under the laws of the Province of British Columbia and which will be a wholly-owned subsidiary of Spinco;

"**Spinco Shareholders**" means the holders of Spinco Shares;

"**Spinco Shares**" means the issued and outstanding common shares of Spinco;

"**Subsidiary**" has the meaning ascribed thereto in National Instrument 45-106 - *Prospectus Exemptions*;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Transmittal Letter**" has the meaning ascribed thereto in Article 5 of this Plan of Arrangement;

"**Withholding Obligation**" shall have the meaning ascribed thereto in Section 5.5 of this Plan of Arrangement.

In addition, words and phrases used herein and defined in the BCBCA and not otherwise defined herein shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

1.2 Interpretation Not Affected by Headings

For the purposes of this Plan of Arrangement, except as otherwise expressly provided:

(a) "this Plan of Arrangement" means this Plan of Arrangement, including the recitals hereof, and not any particular Article, Section, Subsection or other subdivision or recital hereof, and includes any agreement, document or instrument entered into, made or delivered pursuant to the terms hereof, as the same may, from time to time, be supplemented or amended and in effect;

(b) the words "hereof", "herein", "hereto" and "hereunder" and other word of similar import refer to this Plan of Arrangement as a whole and not to any particular Article, Section, Subsection, or other subdivision or recital hereof;

(c) all references in this Plan of Arrangement to a designated "Article", "Section", "Subsection" or other subdivision or recital hereof are references to the designated Article, Section, Subsections or other subdivision or recital to, this Plan of Arrangement;

(d) the division of this Plan of Arrangement into Articles, Sections, Subsections and other subdivisions or recitals, the inclusion of a table of contents and the insertion of headings and captions are for convenience of reference only and are not intended to interpret, define or limit the scope, extent or intent of this Plan of Arrangement or any provision hereof;

(e) a reference to a statute in this Plan of Arrangement includes all regulations, rules, policies or instruments made thereunder, all amendments to the statute, regulations, rules, policies or instruments in force from time to time, and any statutes, regulations, rules, policies or instruments that supplement or supersede such statute, regulations, rules, policies or instruments;

(f) the word "or" is not exclusive;

(g) the word "including" is not limiting, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto; and

(h) all references to "approval", "authorization" or "consent" in this Plan of Arrangement means written approval, authorization or consent.

1.3 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, unlimited liability corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

1.4 Date for any Action

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada and "$" refers to Canadian dollars.

1.6 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time in British Columbia, Canada unless otherwise stipulated herein.

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

ARTICLE 3
EFFECT OF THE PLAN OF ARRANGEMENT

3.1 Binding Effect

This Plan of Arrangement shall, without any further act or formality required on the part of any person, except as expressly provided herein, become effective at, and be binding at and after, the Effective Time on:

(a) FSX;

(b) Spinco;

(c) Finco;

(d) the Resulting Issuer;

(e) all registered and beneficial holders of FSX;

(f) all registered and beneficial holders of Spinco;

(g) all registered and beneficial holders of Finco;

(h) all registered and beneficial holders of the Resulting Issuer;

(i) the Depositary; and

(j) all other persons served with notice of the final application to approve this Plan of Arrangement.

3.2 Arrangement

On the Effective Date, commencing at the Effective Time, the following events or transactions shall occur and be deemed to occur sequentially, in the following order, without any further act or formality required on the part of any person, except as expressly provided herein:

(a) each FSX Dissenting Share held by a FSX Dissenting Shareholder in respect of which a FSX Shareholder has validly exercised his, her or its FSX Dissent Rights shall be deemed to be transferred by such FSX Dissenting Shareholder to FSX (free and clear of any Liens of any nature whatsoever) in accordance with the steps hereof, and such FSX Dissenting Shareholder shall cease to be a holder of such FSX Share and his, her or its name shall be removed from the central securities register of FSX as a holder of a FSX Dissenting Share. Such FSX Dissenting Shareholder shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer such FSX Dissenting Shares to FSX in accordance with this Subsection. FSX shall be the holder of all of the FSX Dissenting Shares transferred in accordance with this Subsection and such FSX Shares will be cancelled and the central securities register of FSX shall be revised accordingly;

(b) the authorized share structure of FSX shall be altered by creating a new class of shares, known as "Class A Common Shares", with such new class of shares consisting of an unlimited number and without par value and having terms, rights and restrictions identical to those of the FSX Shares;

(c) FSX's Articles and Notice of Articles shall be amended to reflect the alterations in Section 3.2(b) above;

(d) each FSX Share shall be exchanged for: (i) one FSX New Share; and (ii) one Spinco Share. The holders of FSX Shares will be removed from the central securities register of FSX as the holders of such and will be added to the central securities register of FSX as the holders of the number of FSX New Shares that they have received on the exchange set forth in this Section 3.2(d), and the Spinco Shares transferred to the then holders of the FSX Shares will be registered in the name of the former holders of the FSX Shares and Spinco will provide its registrar and transfer agent notice to make the appropriate entries in the central securities register of Spinco;

provided that none of the foregoing events or transactions shall occur or be deemed to occur unless all of the foregoing occur or is deemed to occur.

3.3 Post-Effective Time Procedures

Following the receipt of the Final Order and prior to the Effective Date, FSX shall deliver or arrange to be delivered to the Depositary such number of FSX New Shares and Spinco Shares in certificated or book-entry form required to be issued.

Following the Effective Date at a date and time to be determined by the Board of Directors of each of Spinco Subco and Finco, Spinco Subco and Finco shall amalgamate to form the Resulting Issuer, with the same effect as if they had amalgamated under Section 269 of the BCBCA;

(i) without limiting the generality of the steps above, Spinco Subco and Finco shall continue as one company;

(ii) the property, rights and interests of each of Spinco Subco and Finco shall continue to be the property, rights and interests of the Resulting Issuer;

(iii) the Resulting Issuer shall continue to be liable for the obligations of each of Spinco Subco and Finco;

(iv) the Resulting Issuer shall be a wholly-owned subsidiary of Spinco;

(v) the notice of articles and articles of the Resulting Issuer shall be substantially in the form of the notice of articles and articles of Spinco;

(vi) each Finco Share held by a holder thereof will be exchanged for a Spinco Share on the basis of one Spinco Share for each Finco Share;

(vii) each Spinco Subco share held by a holder thereof will be exchanged for a Resulting Issuer Share on the basis of one Resulting Issuer Share for each Spinco Subco share;

(viii) the board of directors of the Resulting Issuer shall be comprised of a minimum of one and a maximum of three directors; and

(ix) the amount added to the capital of the Spinco Shares issued on the Amalgamation shall be equal to the amount of the paid-up capital (as that term is used for purposes of the Tax Act) of the Finco Shares that are exchanged for Spinco Shares (determined immediately prior to the Effective Time).

Following Amalgamation becoming effective, the Resulting Issuer and Spinco shall deliver or arrange to be delivered to the Depositary such number of Resulting Issuer Shares and Spinco shares in certificated or book-entry form required to be issued.

3.4 No Fractional Shares

In no event shall any FSX Shareholder, Spinco Shareholder or Finco Shareholder be entitled to a fractional security of FSX New Shares, Spinco Shares or Resulting Issuer Shares. Where the aggregate number of securities to be issued under this Arrangement would result in a fraction of securities being issuable, the number of securities to be received shall be rounded down to the nearest whole number.

ARTICLE 4
DISSENT RIGHTS

4.1 Dissent Rights

(a) Pursuant to the Interim Order, registered holders of FSX may exercise rights of dissent ("**FSX Dissent Rights**") under Division 2 of Part 8 of the BCBCA, as modified by this Article 4, the Interim Order and the Final Order, with respect to FSX Shares in connection with the Arrangement, provided, however, that the written notice setting forth the objection of such registered FSX Shareholders to the Arrangement and exercise of FSX Dissent Rights must be received by FSX not later than 5:00 p.m. on the Business Day that is two (2) Business Days before the FSX Meeting or any date to which the FSX Meeting may be postponed or adjourned and provided further that holders who exercise such FSX Dissent Rights shall be deemed to have transferred their FSX Shares to FSX as of the Effective Time, without any further act or formality and free and clear of all Liens, and if they:

(i) are ultimately entitled to be paid fair value for their FSX Dissenting Shares, which fair value, notwithstanding anything to the contrary contained in Section 245 of the BCBCA, shall be determined as of the close of business on the day before the Effective Date, will be entitled to be paid by FSX the fair value for their FSX Dissenting Shares, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their FSX Dissent Rights in respect of their FSX Dissenting Shares; and

(ii) are ultimately not entitled, for any reason, to be paid fair value for their FSX Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of FSX Shares and shall be entitled to receive only the Consideration contemplated in Section 3.2 hereof that such holder would have received pursuant to the Arrangement if such holder had not exercised FSX Dissent Rights;

(b) In no circumstances shall the Resulting Issuer, FSX, Spinco or Finco, or any other person be required to recognize a person purporting to exercise FSX Dissent Rights, unless such person is a registered holder of those FSX Dissenting Shares, in respect of which such rights are sought to be exercised; and

(c) For greater certainty, in no case shall the Resulting Issuer, FSX, Spinco, Finco or any other person be required to recognize FSX Dissenting Shareholders as holders of New FSX Shares or Spinco Shares, as the case may be, after the Effective Time, and the names of such FSX Dissenting Shareholders shall be deleted from the central securities registers of FSX, as of the effective time of the transfers described in Sections 3.2(a). In addition to any other restrictions under the Interim Order and Section 238 of the BCBCA, and for greater certainty, FSX Shareholders who vote, or who have instructed a proxyholder to vote, in favour of the Arrangement shall not be entitled to exercise FSX Dissent Rights..

ARTICLE 5
DELIVERY OF SHARES

5.1 Letter of Transmittal

At the time of mailing the notice of the FSX Meeting and the accompanying management information circular, FSX, shall send a letter of transmittal (a "**Transmittal Letter**") to each FSX Shareholder at the address as it appears on the applicable register maintained by or on behalf of FSX, in respect of the FSX Shares.

5.2 Delivery of FSX New Shares and Spinco Shares Subject to Section 5.5:

(a) Upon surrender to the Depositary for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding FSX Shares that were exchanged for FSX New Shares and Spinco Shares in accordance with Section 3.2 hereof, together with a duly completed Transmittal Letter and such other documents and instruments as would have been required to effect the transfer of the FSX Shares formerly represented by such certificate under the BCBCA and the constating documents of FSX and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time a certificate or direct registration statement representing the FSX New Shares and Spinco Shares to which such holder is entitled.

(b) After the Effective Time and until surrendered for cancellation as contemplated by this Section 5.2, each certificate that immediately prior to the Effective Time represented one or more FSX Shares shall be deemed at all times to represent only the right to receive in exchange therefor a certificate or direct registration statement representing the FSX New Shares and Spinco Shares that the holder of such certificate is entitled to receive in accordance with Section 3.2 hereof

(c) Upon surrender to the Depositary or the Resulting Issuer for cancellation of a certificate representing one or more outstanding Finco Shares, together with a duly completed Transmittal Letter and such other documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time a certificate or direct registration statement representing the Spinco Shares to which such holder is entitled. Spinco Shares issued to holders of Finco Shares in the United States will be issued in certificated form and will bear a legend restricting transfer without compliance with the requirements of an exemption or exclusion from the registration requirements of the U.S. Securities Act of 1933, as amended, and all applicable U.S. state securities laws.

5.3 Lost Certificates

If any certificate was deemed to represent, one or more outstanding FSX Shares, Spinco Shares or Finco Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depository shall deliver in exchange for such lost, stolen or destroyed certificate, the certificate or direct registration statement representing the Spinco Shares that such holder is entitled to receive in accordance with this Plan of Arrangement and the related Amalgamation. When authorizing such delivery of such certificate or direct registration statement representing the Spinco Shares, that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such certificate or direct registration statement representing the Spinco Shares as a condition precedent to the delivery of the Spinco Shares give a bond satisfactory to FSX Spinco and Finco, and the Depositary in such amount as FSX, Spinco, Finco and the Depositary may direct, or otherwise indemnify FSX, Spinco and Finco, and the Depositary in a manner satisfactory to each of them, against any claim that may be made against them with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the constating documents of FSX, Spinco and Finco.

5.4 Distributions with Respect to Unsurrendered Shares

No dividend or other distribution declared or made after the Effective Time with respect to Spinco or FSX with a record date after the Effective Time shall be delivered to any FSX Shareholder or Spinco Shareholder unless and until the holder shall have complied with the provisions of Sections 5.1, 5.2 or 5.3 hereof. Subject to applicable law, at the time of such compliance, there shall, in addition to the delivery of the certificate or direct registration statement representing Spinco Shares or New FSX Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to the FSX New Shares or Spinco Shares net of any amount deducted or withheld therefrom in accordance with Section 5.5 hereof.

5.5 Withholding Rights

FSX, Spinco, Finco and the Depositary shall deduct and withhold from all distributions or payments otherwise payable to any FSX Shareholder, FSX Dissenting Shareholder, Spinco Shareholder or Finco Shareholder (an "**Affected Person**") any amounts required to be deducted and withheld with respect to such payment under the Tax Act or any provision of any applicable federal, provincial, state, local or foreign law or treaty, in each case, as amended (a "**Withholding Obligation**"). To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the Affected Person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing authority. FSX, Spinco or Finco and the Depositary shall also have the right to:

(a) withhold and sell, on their own account or through a broker (the "**Broker**"), and on behalf of any Affected Person; or

(b) require the Affected Person to irrevocably direct the sale through a Broker and irrevocably direct the Broker to pay the proceeds of such sale to FSX, Spinco, Finco or the Depository as appropriate (and, in the absence of such irrevocable direction, the Affected Person shall be deemed to have provided such irrevocable direction);

such number of FSX New Shares or Spinco Shares and issued or issuable to such Affected Person pursuant to the Arrangement Agreement as is necessary to produce sale proceeds (after deducting commissions payable to the Broker and other costs and expenses) sufficient to fund any Withholding Obligations. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

5.6 Limitation and Proscription

To the extent that a FSX Shareholder shall not have complied with the provisions of Section 5.1 or Section 5.3 hereof on or before the date that is two (2) years after the Effective Date (the "**final proscription date**"), then the New FSX Shares and Spinco Shares that such FSX Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital or other consideration in respect thereof and the FSX New Shares and Spinco Shares to which such FSX Shareholder was entitled, shall be delivered to FSX and Spinco, as the case may be, by the Depositary and certificates representing the FSX New Shares and Spinco Shares shall be cancelled by FSX and Spinco, as the case may be, and the interest of the FSX Shareholder, in such FSX New Shares and Spinco Shares, as the case may be, to which it was entitled shall be terminated as of such final proscription date for no consideration.

5.7 No Liens

Any exchange, issuance or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens of any kind.

5.8 Paramountcy

From and after the Effective Time: (i)this Plan of Arrangement shall take precedence and priority over any and all FSX Shares, Spinco Shares and Finco Shares issued or outstanding at or prior to the Effective Time or pursuant to this Plan of Arrangement; (ii) the rights and obligations of FSX, Spinco, Finco, the Depositary, the registered holders of FSX Shareholders, Spinco Shareholders, Finco Shareholder, and any transfer agent or other Depositary in relation thereto, shall be solely as provided for in this Plan of Arrangement; and (iii) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to the FSX Shares, Spinco Shares and Finco Shares, shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

ARTICLE 6
AMENDMENTS

6.1 Amendments to Plan of Arrangement

(a) The Parties reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided, however, that each such amendment, modification or supplement must be: (i) set out in writing; (ii) agreed to in writing by each of the Parties; (iii) filed with the Court and, if made following the FSX Meeting, approved by the Court; and (iv) communicated to holders or former holders of FSX Shares, Spinco Shares or Finco Shares if and as required by the Court.

(b) Subject to the provisions of the Interim Order, any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Parties prior to the FSX Meeting; provided, however, that the Parties shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the FSX Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the FSX Meeting shall be effective only if: (i) it is consented to in writing by the Parties; (ii) it is filed with the Court (other than amendments contemplated in Subsection 6.1(d), which shall not require such filing) and (iii) if required by the Court, it is consented to by FSX Shareholders, Spinco Shareholders or Finco Shareholders, as applicable, voting or consenting, as the case may be, in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made by the Parties without the approval of or communication to the Court or the FSX Shareholders, the Spinco Shareholders or the Finco Shareholders, provided that it concerns a matter which, in the reasonable opinion of the Parties is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not materially adverse to the financial or economic interests of any of the FSX Shareholders, the Spinco Shareholders or the Finco Shareholders, as applicable.

(e) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 7
FURTHER ASSURANCES

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of FSX, Spinco and Finco shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out therein.

SCHEDULE "B"

FORM OF AMALGAMATION AGREEMENT

(see attached)

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made the ___day of _____, 2020.

AMONG:

LEVIATHAN GOLD LTD., a company incorporated under the provisions of the *Business Corporations Act* (British Columbia)

("**Spinco**")

AND:

LEVIATHAN GOLD FINANCE LTD., a company incorporated under the provisions of the *Business Corporations Act* (British Columbia)

("**Finco**")

AND

● , a company incorporated under the provisions of the *Business Corporations Act* (British Columbia)

("**Spinco Subco**")

BACKGROUND

A. Spinco was incorporated under the Act (as defined below) as evidenced by the Notice of Articles effective on June 24, 2020 and is governed by the Act.

B. Finco was incorporated under the Act as evidenced by the Notice of Articles effective on June 25, 2020 and is governed by the Act.

C. Spinco Subco was incorporated under the Act as evidenced by the Notice of Articles effective on ● and is governed by the Act

D. The authorized capital of Spinco and the issued and outstanding shares of Spinco consist of the following:

Authorized Capital	Issued and outstanding shares (fully paid and non-assessable)
unlimited number of common shares	●

E. The authorized capital of Finco and the issued and outstanding shares of Finco consist of the following:

Authorized Capital	Issued and outstanding shares (fully paid and non-assessable)
unlimited number of common shares	●

F. The authorized capital of Spinco Subco and the issued and outstanding shares of Spinco Subco consist of the following:

Authorized Capital	Issued and outstanding shares (fully paid and non-assessable)
unlimited number of common shares	●

G. It is desirable that the said amalgamation should be effected.

IN CONSIDERATION of the premises and the mutual agreements in this Agreement (as defined herein), and of other consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows:

1. In this Agreement:

"**Act**" means the *Business Corporations Act* (British Columbia), as now enacted or as the same may from time to time be amended or re-enacted;

"**Agreement**" means this Amalgamation Agreement;

"**Amalgamated Corporation**" means the corporation continuing from the amalgamation of the Amalgamating Corporations;

"**Amalgamating Corporations**" means, collectively Finco and Spinco Subco;

"**Parties**" means, collectively, each of the signatories to this Agreement, and "**Party**" means any one of them; and

"**Tax Act**" means the *Income Tax Act* (Canada), and the regulations thereunder as may be amended or restated from time to time and any successor legislation of comparable effect;

2. Finco and Spinco Subco hereby agree to amalgamate, effective as of the beginning of the day on the **●, 2020** , under the Act, to form the Amalgamated Corporation and to continue as one corporation whereby (i) each share of Finco is exchanged for one common share of Spinco and (ii) each share of Spinco Subco is exchanged for one common share of the Amalgamated Corporation.

3. Spinco shall own all of the issued and outstanding shares of the Amalgamated Corporation which shall be a wholly owned subsidiary of Spinco. The Amalgamated Corporation shall have the terms set out below.

4. The name of the Amalgamated Corporation will be ●.

5. The registered and records office of the Amalgamated Corporation shall be 550 Burrard Street, Suite 2900, Vancouver, BC V6C 0A3 changed in accordance with the Act.

6. There shall be no restrictions on the business the Amalgamated Corporation may carry on or on the powers the Amalgamated Corporation may exercise.

7. The Articles and Notice of Articles of the Amalgamated Corporation shall be those of Spinco Subco and in the form attached hereto as Schedule "A".

8. The Amalgamated Corporation is authorized to issue an unlimited number of shares of one class designated as common shares.

9. The rights, privileges, restrictions and conditions attaching to the common shares as a class are as follows:

9.1 Voting Rights

The holders of the common shares shall be entitled to receive notice of, attend and vote at all meetings of the shareholders of the Amalgamated Corporation, except meetings at which only the holders of another class of shares of the Amalgamated Corporation may vote. Each common share shall entitle the holder thereof to one (1) vote.

9.2 Dividend Entitlement

The holders of the common shares shall be entitled to receive and the Amalgamated Corporation shall pay thereon, if, as and when declared by the directors of the Amalgamated Corporation, in their absolute discretion, out of the monies of the Amalgamated Corporation properly applicable to the payment of dividends, such non-cumulative dividends as the directors may from time to time declare.

9.3 Liquidation, Dissolution or Winding-Up

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Amalgamated Corporation or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, the holders of common shares shall be entitled to receive the remaining property of the Amalgamated Corporation.

10. The issued and outstanding shares in the capital of the Amalgamating Corporations, shall be converted as follows: (i) each common shares of Finco shall be exchanged for one Spinco common share and (ii) each common share of Spinco Subco shall be exchanged for one common share of the Amalgamated Corporation.

11. After giving effect to the conversion of shares set out in Section 10 above:

(a) the remaining authorized but unissued common shares of Finco shall be cancelled; and

(b) the remaining authorized but unissued common shares of Spinco Subco shall be cancelled.

12. After the endorsement of a certificate of amalgamation giving effect to the amalgamation contemplated in this Agreement, the shareholders of the Amalgamating Corporations shall, at the request of the Amalgamated Corporation, surrender the certificates or DRS Statements representing the shares held by them in the Amalgamating Corporations and, in return, shall be entitled to receive certificates or DRS Statements for shares of Spinco (in the case of holders of Finco shares) or the Amalgamated Corporation (in the case of holders of Spinco Subco shares), in each case as set forth in Section 10.

13. The capital account for the common shares of the Amalgamated Corporation immediately after the amalgamation will be equal to the aggregate paid-up capital for the purposes of the Tax Act of the common shares in the capital of Spinco Subco, immediately prior to the amalgamation. The amounted added to the capital account for the Spinco common shares issued on the amalgamation shall be equal to the aggregate paid-up capital for the purposes of the Tax Act of the common shares in the capital of Finco that are exchange for Spinco Shares as determined immediately prior to the amalgamation.

14. The number of directors on the board of the Amalgamated Corporation shall be determined to be ● directors until changed in accordance with the Act. The first directors of the Amalgamated Corporation shall be:

FULL NAME	ADDRESS FOR SERVICE	RESIDENT CANADIAN
●	●	●

The first directors shall hold office until the first annual meeting of the Amalgamated Corporation or until their successors are elected or appointed. Directors shall be elected thereafter at either an annual meeting or a special meeting of the shareholders. The directors shall manage or supervise the management of the business and affairs of the Amalgamated Corporation, subject to the provisions of any unanimous shareholder agreement and the Act.

15. Upon the endorsement of the certificate of amalgamation under the Act:

(a) the Amalgamating Corporations are amalgamated and continue as one corporation under the terms and conditions prescribed in this Agreement;

(b) the Amalgamating Corporations cease to exist as entities separate from the Amalgamated Corporation;

(c) the Amalgamated Corporation possesses all the property, rights, privileges and franchises and is subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the Amalgamating Corporations;

(d) a conviction against, or ruling, order or judgment in favour of or against an Amalgamating Corporation may be enforced by or against the Amalgamated Corporation;

(e) the articles of amalgamation are deemed to be the articles of incorporation of the Amalgamated Corporation and the certificate of amalgamation is deemed to be the certificate of incorporation of the Amalgamated Corporation; and

(f) the Amalgamated Corporation shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an Amalgamating Corporation before the amalgamation contemplated in this Agreement has become effective.

16. This Agreement may be terminated by the directors of any of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of such Amalgamating Corporation, at any time prior to the endorsement of a certificate of amalgamation under the Act in respect of this Agreement.

17. This Agreement shall enure to the benefit of and shall be binding upon the Parties hereto and their respective successors and assigns.

«signature page follows»

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement on the date first written above.

LEVIATHAN GOLD LTD.

Per:

_____

LEVIATHAN GOLD FINANCE LTD.

Per:

_____

●

Per:

_____

Schedule "A"

Form of Articles and Notice of Articles of the Amalgamated Corporation

SCHEDULE D
PETITION TO THE COURT

(see attached)

No. S-209950
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

FOSTERVILLE SOUTH EXPLORATION LTD.

PETITIONER

RE: IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, C.57

AND:

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FOSTERVILLE SOUTH EXPLORATION LTD., THE SHAREHOLDERS OF FOSTERVILLE SOUTH EXPLORATION LTD., LEVIATHAN GOLD LTD., and LEVIATHAN GOLD FINANCE LTD.

PETITION TO THE COURT

ON NOTICE TO: The Shareholders of Fosterville South Exploration Ltd. pursuant to the terms of an order to be sought herein.

This proceeding has been started by the Petitioner for the relief set out in Part 1 below.

If you intend to respond to this Petition, you or your lawyer must

(a) file a Response to Petition in Form 67 in the above-named registry of this Court within the time for Response to Petition described below, and

(b) serve on the Petitioner

(i) 2 copies of the filed Response to Petition, and

(ii) 2 copies of each filed Affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the Response to Petition within the time for response.

Time for Response to Petition

A Response to Petition must be filed and served on the petitioner,

(a) if you were served with the petition anywhere in Canada, within 21 days after that service,

(b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,

(c) if you were served with the petition anywhere else, within 49 days after that service, or

(d) **if the time for response has been set by Order of the Court, within that time.**

(1)	The address of the registry is: 800 Smithe Street Vancouver, BC V6Z 2E1
(2)	The ADDRESS FOR DELIVERY is: Fasken Martineau DuMoulin LLP 550 Burrard Street, Suite 2900 Vancouver, BC V6C 0A3 Attention: Tracey M. Cohen, Q.C. Fax number for delivery is: n/a E-mail address for service is: n/a
(3)	The name and office address of the Petitioner's Solicitor is: Fasken Martineau DuMoulin LLP 550 Burrard Street, Suite 2900 Vancouver, BC V6C 0A3 Telephone: 604 631 3131 (Reference: 275713.00042 / Tracey M. Cohen, Q.C.)

CLAIM OF THE PETITIONER

Part 1:ORDERS SOUGHT

1. An order (the "**Interim Order**") pursuant to Sections 186 and 288-297 of the *Business Corporations Act* (British Columbia), S.B.C., 2002, c.57 (the "**BCBCA**") and Rules 2-1,

4-4, 4-5 and 16-1 of the *Supreme Court Civil Rules*, in the form attached as Appendix "1" hereto, providing directions for:

(a) The convening and conduct by the Petitioner, Fosterville South Exploration Ltd. (the "**Petitioner**", the "**Corporation"**, or "**Fosterville**"), of an annual and special meeting (the "**Meeting**") of the holders of Common Shares of the Corporation (the "**Shareholders**") to be held at 9:30 a.m. (Vancouver Time) on November 13, 2020 at 2900 - 550 Burrard Street, Vancouver, British Columbia, Canada, or such other date and time as the Court may direct, or as adjourned or postponed, for the following purposes:

(i) to receive and consider the directors' report to the shareholders and the audited financial statements of the Corporation for the year ended December 31, 2019;

(ii) to elect seven directors for the ensuing year;

(iii) to appoint BDO Canada LLP, as Auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;

(iv) to consider, and if thought fit, approve, with or without amendment, an ordinary resolution to re-approve the Corporation's stock option plan, as more particularly described in the Joint Information Circular of Fosterville and Leviathan Gold Finance Ltd. (the "**Circular**") which is attached as Exhibit "A" to Affidavit #1 of Charles Hethey sworn October 5, 2020 (the "**Hethey Affidavit**");

(v) to consider and, if appropriate, pass a special resolution (the "**Arrangement Resolution**") of the Shareholders, the form of which is attached as Schedule "A" to Exhibit "A" of the Hethey Affidavit, relating to a proposed statutory plan of arrangement (the "**Arrangement**") under Section 288 of the BCBCA, whereby all the outstanding common shares of Fosterville (the "**Fosterville Shares**") will be cancelled and the current Fosterville shareholders will each receive:

(A) an equal number of shares in a new class of Fosterville common shares (the "**New Fosterville Common Shares**"); and

(B) an equal number of shares in Leviathan Gold Ltd. ("**Leviathan Gold Shares**"), a wholly-owned subsidiary of Fosterville.

(vi) to consider, and if thought fit, approve, with or without amendment, an ordinary resolution to approve the sale of the exploration licenses for the Avoca Project and the Timor Projects located in the state of Victoria, Australia and certain other tenements to Leviathan Gold Ltd. ("**Leviathan Gold**") or its affiliates;

(vii) to consider, and if thought fit, approve, an ordinary resolution to approve a stock option plan for Leviathan Gold;

(viii) to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof;

all as more particularly described in the Circular; and,

(b) The giving of notice of the Meeting and the provision of meeting materials regarding the Arrangement, to the Shareholders.

2. An order (the "**Final Order**") pursuant to Sections 288-297 of the BCBCA, Rules 2-1, 16-1, 4-4 and 4-5 of the *Supreme Court Civil Rules*, and the inherent jurisdiction of the Court that:

(a) the Arrangement, and its terms and conditions, be approved;

(b) the Arrangement be implemented in the manner and sequence set forth in the Plan of Arrangement, and pursuant to Sections 291, 292 and 296 of the BCBCA, the Arrangement will take effect as of the Effective Time (as defined in the Plan of Arrangement);

(c) a declaration that the terms and conditions of the Arrangement, and the exchange of securities to be effected by completion of the Arrangement, including the exchange of Fosterville Shares for New Fosterville Common Shares and Leviathan Gold Shares are procedurally and substantively fair and reasonable to the Shareholders of Fosterville;

(d) that the Arrangement shall be binding on the Petitioner and its Shareholders upon taking effect of the Arrangement pursuant to section 297 of the BCBCA; and

(e) the Petitioner shall be entitled to seek the advice and direction of this Court as to the implementation of this Order or to apply for such further Order or Orders as may be appropriate; and

3. Such further and other relief as counsel may advise and this Honourable Court may deem just.

Part 2: FACTUAL BASIS

DEFINITIONS

4. As used in this Petition, unless otherwise defined, terms beginning with capital letters have the respective meaning set out in the Circular attached as Exhibit "A" to the Hethey Affidavit.

THE PARTIES

Fosterville South Exploration Ltd.

5. Fosterville was incorporated under the laws of the Province of British Columbia on July 22, 2019. The head office of Fosterville is located at Suite 488, 1090 West Georgia Street, Vancouver, BC, V6E 3V7.

6. Fosterville is a public company that trades on the TSX Venture Exchange Inc. (the "**TSXV**") under the symbol "FSX". Fosterville is engaged in the acquisition and exploration of gold assets in the State of Victoria, Australia.

7. Following the Arrangement, Fosterville will retain its entire core gold focused properties: the Lauriston Gold Project, the Golden Mountain Project, the Providence Project, the Walhalla Belt Project and the Beechworth Project.

Leviathan Gold Ltd.

8. Leviathan Gold Ltd. was incorporated under the laws of the Province of British Columbia on June 24, 2020. The registered office of Leviathan Gold Ltd. is located at 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3.

9. Leviathan Gold Ltd. is currently a wholly owned subsidiary of Fosterville. It was incorporated for the sole purpose of participating in the Arrangement and has not carried on any business to date.

10. The Arrangement will distribute common shares of Leviathan Gold Ltd. to Fosterville Shareholders.

Leviathan Gold Finance Ltd.

11. Leviathan Gold Finance Ltd. was incorporated under the laws of the Province of British Columbia on June 25, 2020. The registered office of Leviathan Gold Finance Ltd. registered office is located at 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3.

12. Following completion of the Arrangement, Leviathan Gold Finance Ltd. ("**Leviathan Gold Finance**") will undertake an equity financing (the "**Leviathan Gold Financing**") to fund the exploration, advancement and development of the Avoca and the Timor Projects located in the state of Victoria, Australia and certain other staked mineral tenements (together, the "**Leviathan Gold Projects**").

13. Leviathan Gold Finance was incorporated for the sole purpose of undertaking the Leviathan Gold Financing and participating in the Amalgamation (as defined below) to be completed following the Arrangement and has not carried on any business to date.

14. Following the Arrangement, a wholly-owned subsidiary of Leviathan Gold to be incorporated under the laws of British Columbia and Leviathan Gold Finance will amalgamate (the "**Amalgamation**"), the amalgamated entity (to be known as "**Leviathan Gold Ltd**.") and an Australian incorporated wholly-owned subsidiary of Leviathan Gold Ltd. will purchase for cash consideration the granted exploration licenses for the Leviathan Gold Projects from an Australian incorporated wholly-owned subsidiary of

Fosterville (the "**Purchase Agreement**"), subject to completion of the Arrangement and certain other customary closing conditions.

BACKGROUND TO THE ARRANGEMENT

15. The purpose of the Arrangement Agreement and the Arrangement is to:

    (a) provide Fosterville Shareholders with enhanced value by creating independent investment opportunities in two growth-oriented gold companies and allowing Leviathan Gold to focus on the Leviathan Gold Projects;

    (b) provide each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans;

    (c) enable investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company;

    (d) enable each company to pursue independent growth and capital allocation strategies; and

    (e) allow each company to be led by experienced executives and directors who have experience exploring and developing mining assets and who can devote more time to the projects of the respective companies.

CONDITIONS

16. Completion of the Plan of Arrangement is subject to a number of conditions set out in the Arrangement Agreement, including approval of the Arrangement Resolution, receipt of the Final Order of the Court and receipt of approval of the TSX Venture Exchange. In order to complete the Plan of Arrangement, the Arrangement Resolution must be approved by at least 66⅔% of the votes cast by Shareholders present, in person or by proxy, and entitled to vote at the Meeting in accordance with the Interim Order.

RECOMMENDATION OF THE BOARD OF DIRECTORS

17. The Fosterville Board of Directors (the "**Fosterville Board**") believes that the creation of two separate public companies, with Fosterville retaining and focusing on its core Lauriston Gold Project, Golden Mountain Project, Providence Project, Walhalla Belt Project and Beechworth Project in Victoria, and Leviathan Gold focusing on the Leviathan Gold Projects, will enhance the respective business operations of each company by providing dedicated management teams and increasing project attention, provide Shareholders with additional investment choices and flexibility, and unlock the value of Fosterville's highly prospective mineral property portfolio.

18. The Fosterville Board determined that the Transaction, including the terms set forth in the Arrangement Agreement, is fair and reasonable to the Shareholders and in the best interests of Fosterville. The Fosterville Board of Directors has recommended that Shareholders vote for the Arrangement Resolution.

19. In evaluating and approving the Transaction and making its recommendation, the Fosterville Board considered a number of factors, including:

(a) providing Shareholders with enhanced value by creating independent investment opportunities in two growth-oriented gold companies and allowing Leviathan Gold to focus on the Leviathan Gold Projects;

(b) providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans;

(c) enabling investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company;

(d) enabling each company to pursue independent growth and capital allocation strategies;

(e) allowing each company to be led by experienced executives and directors who have experience exploring and developing mining assets;

(f) allowing the reorganization to occur on a tax-deferred basis for Shareholders resident in Canada who hold their Fosterville Shares as capital property;

(g) the procedures by which the Arrangement will be approved, including the requirement for at least 66⅔% Shareholder approval at the Meeting and approval by the Court after a hearing at which fairness will be considered;

(h) each Shareholder (other than Dissenting Shareholders) who participates in the Arrangement will hold, upon completion of the Arrangement, one New Fosterville Share and one Leviathan Gold Share for each Fosterville Share held by such Shareholder immediately prior to the Arrangement and;

(i) the opportunity for Registered Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to exercise Dissent Rights under the BCBCA, as modified by the Interim Order.

20. The Fosterville Board also considered a number of potential issues regarding risks resulting from the Transaction including:

(a) the risk of a failure to obtain required regulatory approvals, including the approval of the TSX Venture Exchange and the listing of Leviathan Gold on a stock exchange following the Arrangement and Amalgamation;

(b) the risks of Leviathan Gold Finance not completing the Leviathan Gold Financing; and

(c) the risk that the Purchase Agreement will not be consummated.

Fairness Opinion

21. The Fosterville Board obtained the Fairness Opinion from Clarus Securities Inc. ("**Clarus**") Fosterville agreed to pay a fixed fee for the Fairness Opinion, plus applicable taxes and out-of-pocket disbursements to Clarus for its services related to providing the Fairness Opinion, which payment is not contingent on the substance of the Fairness Opinion or the completion of the Transaction. Fosterville also agreed to indemnify Clarus against certain liabilities in connection with its engagement.

Interests of Fosterville Directors and Officers

22. As of October 2, 2020, being the record date for determining the Shareholders entitled to receive notice of, attend and vote at the Meeting (the "**Record Date**"), the directors and officers of Fosterville beneficially owned, directly or indirectly, or exercised control or direction over, in the aggregate 11,620,501 Fosterville Shares, which represented approximately 18.31% of the total number of outstanding Fosterville Shares.

23. Following the Arrangement, Jonathan Richards, the Chief Financial Officer ("**CFO**") of Fosterville, will become CFO of Leviathan Gold. Mr. Richards owns no shares of Fosterville. Mr. Richards will receive 250,000 Management Shares of Leviathan Gold.

Dissent Rights

24. Each of the Registered Shareholders shall have the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of Sections 237-247 of the BCBCA, as varied by the Plan of Arrangement, the Interim Order or the Final Order (the "**Dissent Rights**").

25. In order for a Shareholder to exercise its Dissent Rights pursuant to the BCBCA a dissenting Shareholder must deliver a written notice of dissent (a "**Dissent Notice**") contemplated by Section 242 of the BCBCA by mail or hand delivery to Fosterville South Exploration Ltd., Suite 488, 1090 West Georgia Street, Vancouver, BC V6E 3V7 (Attention: Chief Executive Officer) not later than 9:30 a.m. (Vancouver time) on the business day that is at least two business days before the date of the Meeting.

OVERVIEW OF THE ARRANGEMENT

26. On October 1, 2020 Fosterville, Leviathan Gold and Leviathan Gold Finance Ltd. entered into the Arrangement Agreement, providing for the Arrangement.

27. Fosterville proposes, in accordance with section 289 and 291 of the BCBCA, to call, hold and conduct the Meeting to be held at 9:30 a.m. (Vancouver Time) on November 13, 2020 at 2900 - 550 Burrard Street, Vancouver, British Columbia, Canada.

28. At the Meeting, the Fosterville Shareholders shall:

    (a) receive and consider the report of the directors to the shareholders and the audited financial statements of the Corporation for the year ended December 31, 2019.

(b) elect seven directors for the ensuing year;

(c) appoint BDO Canada LLP, as Auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;

(d) consider, and if thought fit, approve, with or without amendment, an ordinary resolution to re-approve the Corporation's stock option plan, as more particularly described in the Circular which is attached as Exhibit "A" of the Hethey Affidavit;

(e) consider and, if appropriate, pass the Arrangement Resolution, the form of which is attached as Schedule "A" to the Hethey Affidavit, relating to the Arrangement under Section 288 of the BCBCA, whereby all the outstanding Fosterville Shares will be cancelled and the current Fosterville shareholders will each receive:

(i) an equal number of New Fosterville Common Shares; and

(ii) an equal number of Leviathan Gold Shares;

(f) consider, and if thought fit, approve, with or without amendment, an ordinary resolution to approve the sale of the exploration licenses for the Avoca Project and the Timor Projects located in the state of Victoria, Australia and certain other tenements to Leviathan Gold or its affiliates;

(g) consider, and if thought fit, approve, an ordinary resolution to approve a stock option plan for Leviathan Gold;

(h) transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

29. The Arrangement will be effected through a Plan of Arrangement, the full text of which is attached as Schedule "C" to Exhibit "A" of the Hethey Affidavit.

30. At the Effective Time, the Arrangement shall become effective and the following principal steps of the Arrangement shall be deemed to occur in the order and at the times set forth in the Plan of Arrangement, and in particular:

(a) each share held by a Fosterville Dissenting Shareholder in respect of which a Fosterville Shareholder has validly exercised his, her or its Dissent Rights (a "**Fosterville Dissenting Share**") shall be deemed to be transferred by such Fosterville Dissenting Shareholder to Fosterville in accordance with the Plan of Arrangement, and such Fosterville Dissenting Shareholder shall cease to be a holder of such Fosterville Share and his, her or its name shall be removed from the central securities register of Fosterville as a holder of a Fosterville Dissenting Share. Fosterville shall be the holder of all of the Fosterville Dissenting Shares transferred in accordance with the Plan of Arrangement and such Fosterville Shares will be cancelled and the central securities register of Fosterville shall be revised accordingly;

(b) the authorized share structure of Fosterville shall be altered by creating the New Fosterville Shares, with such new class of shares consisting of an unlimited number of shares without par value and having terms, rights and restrictions identical to those of the Fosterville Shares;

(c) Fosterville's Articles and Notice of Articles shall be amended to reflect the alterations to the authorized share structure described in item (b) above; and

(d) each Fosterville Share shall be exchanged for: (i) one New Fosterville Share; and (ii) one Leviathan Gold Share. The holders of Fosterville Shares will be removed from the central securities register of Fosterville as the holders of such and will be added to the central securities register of Fosterville as the holders of the number of New Fosterville Shares that they have received on the exchange described herein, and the Leviathan Gold Shares transferred to the then holders of the Fosterville Shares will be registered in the name of the former holders of the Fosterville Shares and Leviathan Gold will provide its registrar and transfer agent notice to make the appropriate entries in the central securities register of Leviathan Gold.

31. Following the Effective Date at a time and date to be determined by their respective Board of Directors, a wholly-owned subsidiary of Leviathan Gold and Leviathan Gold Finance will consummate the Amalgamation to form a new entity to continue the business of Leviathan Gold. In connection with the Amalgamation, each shareholder of Leviathan Gold and Leviathan Gold Finance will receive one share of the resulting issuer for each share of Leviathan Gold and Leviathan Gold Finance held.

32. Prior to the date of the Amalgamation, Leviathan Gold Finance will complete the Management Share Issuances, expected to consist of the issuance of a total of 6,000,000 common shares in the capital of Leviathan Gold Finance to its management team for nominal consideration, which management team will become the management team of Leviathan Gold following the completion of the Amalgamation. The Leviathan Gold Shares to be received in exchange for the Leviathan Gold Finance shares issued pursuant to the Management Share Issuances will be subject to the more restrictive of either the same restrictions on resale or transfer as imposed on the Shareholders pursuant to the Arrangement or the escrow requirements, if any, imposed by any applicable stock exchange on which the Leviathan Gold Shares are listed. The shares being issued will represent approximately 6% of the outstanding shares post-Amalgamation.

THE MEETING AND APPROVALS

33. The Board resolved that the Record Date for determining the Shareholders entitled to receive notice of, attend and vote at the Meeting be fixed at October 2, 2020.

34. In connection with the Meeting, Fosterville intends to send to each Shareholder as of the Record Date a copy of the following material and documentation substantially in the form as attached as Exhibits "A", "B" and "C" to the Hethey Affidavit:

(a) Notice of Annual and Special Meeting of Shareholders and Circular, that includes, among other things:

(i) an explanation of the effect of the Transaction;

(ii) the Arrangement Resolution;

(iii) the Plan of Arrangement;

(iv) the proposed form of Interim Order; and

(v) the Petition; and,

(b) the appropriate form of proxy,

(hereinafter collectively referred to as the "**Meeting Materials**").

35. The Meeting Materials may contain such amendments thereto as the Petitioner may advise are necessary or desirable, provided such amendments are made by written agreement signed by Fosterville and Leviathan Gold and are not inconsistent with the terms of the Interim Order.

36. It is proposed that the Meeting Materials will be sent to:

(a) Registered shareholders and non-registered, non-objecting Shareholders of Fosterville, through its transfer agent, by sending copies of the Meeting Materials to non-objecting beneficial owners in accordance with National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators ("**NI 54-101**") at least twenty-one (21) days prior to the date of the Meeting; and

(b) Non-registered, objecting Shareholders, by providing copies of the Meeting Materials to intermediaries and registered nominees for sending to objecting beneficial owners in accordance with NI 54-101 at least three (3) Business Days prior to the twenty-first (21st) day prior to the date of the Meeting; and

(c) The directors and auditors of Fosterville by regular mail or by email transmission.

QUORUM AND VOTING

37. Pursuant to the terms of the Interim Order, to be effective, the Arrangement Resolution must be passed by 66⅔% of the votes cast on the Arrangement Resolution by the holders of the Shares present in person or represented by proxy at the Meeting, voting together as a single class with the holders of Fosterville Shares being entitled to exercise one vote for each Fosterville Share held.

38. The quorum required at the Meetings shall be the quorum required by the Articles of Fosterville being one or more shareholders present in person or represented by proxy.

U.S. SECURITIES LAW

39. Section 3(a)(10) of the United States Securities Act of 1933, as amended (the "**1933 Act**"), provides an exemption from the registration requirements of the 1933 Act for the issue of securities in exchange for other outstanding securities where the terms and conditions of the issue and exchange are approved by a court of competent jurisdiction after a hearing upon the fairness of such securities shall have the right to appear.

40. In order to ensure securities issued or made issuable, to certain Securityholders pursuant to an arrangement will be exempt from the registration requirements of the 1933 Act pursuant to Section 3(a)(10) of the 1933 Act, it is necessary that:

    (a) the Arrangement is subject to the approval of the Court;

    (b) the Court is advised of the intention of the parties to rely upon Section 3(a)(10) of the 1933 Act prior to the hearing at which the Final Order will be sought;

    (c) all securityholders are given adequate notice advising them of their rights to attend the hearing of the Court to approve of the Arrangement and provide them with sufficient information necessary for them to exercise that right;

    (d) the Court is required to satisfy itself as to the fairness of the Arrangement to the Fosterville Shareholders;

    (e) the Fosterville Shareholders have been advised that the New Fosterville Shares and Leviathan Gold Shares being distributed pursuant to the Arrangement have not been registered under the 1933 Act and will be issued in reliance on Section 3(a)(10) of the 1933 Act and exemptions under applicable states securities laws; and

    (f) the Final Order of the Court will expressly state that the arrangement is approved by the Court as it is procedurally and substantively fair and reasonable to the Shareholders of Fosterville.

41. As the completion of the Arrangement may involve the issuance of New Fosterville Shares and Leviathan Gold Shares to Fosterville Shareholders in the United States of America, the Petitioner hereby gives notice to the Court of its intention to rely on Section 3(a)(10) of the 1933 Act in completing the Arrangement.

42. Counsel for the Petitioner has advised that the Fosterville Shareholders to whom New Fosterville Shares and Leviathan Gold Shares will be issued or made issuable under the Arrangement shall receive such securities in reliance on the exemption from the registration requirements of the 1933 Act, based on the Court's approval of the fairness of the Arrangement.

NO CREDITOR IMPACT

43. The Arrangement does not contemplate a compromise of any debt or any debt instruments of Fosterville and no creditor of Fosterville will be negatively affected by the Arrangement.

Part 3: LEGAL BASIS

44. The Petitioner pleads and relies on Sections 186 and 288-291 of the BCBCA; Rules 2-1, 16-1, 4-4 and 4-5 of the *Supreme Court Civil Rules*; and the inherent jurisdiction of the Court.

45. Pursuant to Sections 288-291 of the BCBCA, the Arrangement requires the approval of this Honourable Court to proceed.

46. Section 291 of the BCBCA contemplates plan of arrangement approval under the BCBCA as a three-step process:

(a) The first step is an application for an interim order for directions for calling a Securityholders' meeting to consider and vote on the arrangement. The first application proceeds *ex parte* because of the administrative burden of serving the Securityholders;

(b) The second step is the meeting of the Shareholders, where the arrangement is voted upon, and must be approved by a special resolution; and

(c) The third step is the application for final Court approval of the arrangement.

Pacifica Papers Inc. (Re), 2001 BCSC 701 at para. 26, leave to appeal ref'd, 2001 BCCA 363.

47. The final Court approval should be granted in the event that:

(a) The statutory provisions are complied with, as amended by the terms of the Arrangement and the Interim Order;

(b) The vote of the Shareholders is *bona fide*; and

(c) The Arrangement is procedurally and substantively fair and reasonable.

B.C.E. Inc. v. 1976 Debentureholders, 2008 SCC 69.

48. The Final Order should be granted as the necessary steps will have been met.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Charles Hethey, made October 5, 2020; and,

2. Such other and further material as counsel may advise and the Court may permit.

The Petitioner estimates that the application will take 15 minutes.

Dated: 05-Oct-2020

Signature of
☐ Petitioner ☑ Lawyer for Petitioner

TRACEY M. COHEN, Q.C.

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs ..... of Part 1 of this Petition

☐ with the following variations and additional terms:

.....
.....
.....
.....

Date:

.....
Signature of ☐ Judge ☐ Master

"APPENDIX 1"

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

FOSTERVILLE SOUTH EXPLORATION LTD.

PETITIONER

RE: IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, C.57

AND:

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FOSTERVILLE SOUTH EXPLORATION LTD., THE SHAREHOLDERS OF FOSTERVILLE SOUTH EXPLORATION LTD., LEVIATHAN GOLD LTD., and LEVIATHAN GOLD FINANCE LTD.

INTERIM ORDER

BEFORE	THE HONOURABLE JUSTICE		___October/2020

ON THE APPLICATION of the Petitioner, Fosterville South Exploration Ltd. ("**Fosterville**"), pursuant to sections 186 and 288-297 of the *Business Corporations Act*, S.B.C. 2002, c. 57 (the "**BCA**"), for an Interim Order for directions in seeking approval of a plan of arrangement under Division 5 of Part 9 of the BCA, coming on for hearing at Vancouver, British Columbia on the 8th day of October, 2020 AND ON HEARING Kaleigh Milinazzo, counsel for the Petitioner, AND UPON READING the Petition and other materials filed herein; THIS COURT ORDERS that:

DEFINITIONS

1. As used in this order, unless otherwise defined, defined terms have the respective meanings set out in the Joint Management Information Circular (the "Circular") relating to the annual and special meeting of the Shareholders of Fosterville attached as Exhibit "A" to the Affidavit of Charles Hethey sworn on October 5, 2020 (the "**Hethey Affidavit**").

MEETING

2. Pursuant to Sections 289 and 291 of the BCA, Fosterville is authorized and directed to call, hold and conduct an annual and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Fosterville Shares**") of Fosterville to be held at 9:30 a.m. (Vancouver Time) on November 13, 2020 at 2900 - 550 Burrard Street, Vancouver, British Columbia, Canada, or such other date and time as the Court may direct, or as adjourned or postponed.

3. At the Meeting, the Shareholders shall:

   (a) receive and consider the report of the directors to the shareholders and the audited financial statements of the Corporation for the year ended December 31, 2019.

   (b) elect seven directors for the ensuing year;

   (c) appoint BDO Canada LLP, as Auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;

   (d) consider, and if thought fit, approve, with or without amendment, an ordinary resolution to re-approve the Corporation's stock option plan, as more particularly described in the Joint Information Circular of Fosterville and Leviathan Gold Finance Ltd. (the "**Circular**") which is attached as Exhibit "A" to Affidavit #1 of Charles Hethey sworn October 5, 2020 (the "**Hethey Affidavit**");

   (e) consider and, if appropriate, pass a special resolution (the "**Arrangement Resolution**") of the Shareholders, the form of which is attached as Schedule "A" to Exhibit "A" of the Hethey Affidavit, relating to a proposed statutory plan of arrangement (the "**Arrangement**") under Section 288 of the BCBCA, whereby all the outstanding common shares of Fosterville (the "**Fosterville Shares**") will be cancelled and the current Fosterville shareholders will each receive:

      (i) an equal number of shares in a new class of Fosterville common shares (the "**New Fosterville Common Shares**"); and

      (ii) an equal number of shares in Leviathan Gold Ltd. ("**Leviathan Gold Shares**"), a wholly-owned subsidiary of Fosterville.

(f) to consider, and if thought fit, approve, with or without amendment, an ordinary resolution to approve the sale of the exploration licenses for the Avoca Project and the Timor Projects located in the state of Victoria, Australia and certain other tenements to Leviathan Gold Ltd. ("**Leviathan Gold**") or its affiliates;

(g) consider, and if thought fit, approve, an ordinary resolution to approve a stock option plan for Leviathan Gold; and

(h) transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

4. The Meeting shall be called, held and conducted in accordance with the BCA, applicable securities legislation, the Notice of Special Meeting and Circular, and the articles of Fosterville, subject to the terms of this order made after application (the "**Interim Order**"), and any further order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order.

5. The Chair of the Meeting shall be the Chair of the Board of Directors of Fosterville (the "**Board**") or such other person authorized in accordance with the articles of Fosterville. The Chair is at liberty to call on the assistance of legal counsel to Fosterville at any time and from time to time as the Chair of such Fosterville Meeting may deem necessary or appropriate.

ADJOURNMENT

6. Fosterville, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by press release, news release, newspaper advertisement, or by notice sent to Shareholders by one of the methods specified in paragraph 11 of this Interim Order, as determined by the Board.

7. The Record Date (as defined in paragraph 9 below) shall not change in respect of adjournments or postponements of the Meeting.

AMENDMENTS

8. Fosterville is authorized to make such amendments, revisions or supplements to the Arrangement, Arrangement Agreement, Arrangement Resolution or Plan of Arrangement in accordance with the Arrangement Agreement without any additional notice to the Shareholders, and the Arrangement, Arrangement Agreement, Arrangement Resolution or Plan of Arrangement as so amended, revised and/or supplemented shall be the Arrangement, Arrangement Agreement, Arrangement Resolution or Plan of Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

RECORD DATE

9. The record date for determining the Fosterville Shareholders entitled to receive notice of, attend and vote at the Meeting will be the close of business on October 2, 2020 (the "**Record Date**")

NOTICE OF MEETING

10. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCA, and Fosterville shall not be required to send to the Shareholders any other or additional statement pursuant to Section 290(1)(a) of the BCA.

11. The Notice of Annual and Special Meeting of Shareholders and Circular, which includes the Arrangement Resolution, the Plan of Arrangement, the Interim Order, the Fairness Opinion, the Petition for Final Order and the applicable forms of proxy and letter of transmittal (collectively referred to as the "**Meeting Materials**") in substantially the form as contained in Exhibits "A", "B" and "C" to the Hethey Affidavit, with such deletions, amendments or additions thereto as may be necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be sent to:

    (a) Registered shareholders and non-registered, non-objecting Shareholders of Fosterville, through its transfer agent, by sending copies of the Meeting Materials to non-objecting beneficial owners in accordance with National Instrument 54 101 Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators ("NI 54-101") at least twenty-one (21) days prior to the date of the Meeting; and

    (b) Non-registered, objecting Shareholders, by providing copies of the Meeting Materials to intermediaries and registered nominees for sending to objecting beneficial owners in accordance with NI 54 101 at least three (3) Business Days prior to the twenty-first (21st) day prior to the date of the Meeting; and

    (c) the directors and auditors of Fosterville by regular mail or by email transmission, and

    substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting, and no further notice be required to any other party.

12. Accidental failure of or omission by Fosterville to give notice to any one or more Shareholders, directors or auditors, or the non-receipt of such notice by one or more Shareholders, directors or auditors, or any failure or omission to give such notice as a result of events beyond the reasonable control of Fosterville (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission

is brought to the attention of Fosterville then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

13. Provided that notice of the Meeting and the provision of the Meeting Materials to the Shareholders take place in compliance with this Interim Order, the requirement of Section 290(1)(b) of the BCA to include certain disclosure in any advertisement of the Meeting is waived.

14. Provided that notice of the Meeting and the provision of the Meeting Materials to the Shareholders take place in compliance with this Interim Order, the requirement of Section 2.2 of NI 54-101 that notification of the meeting and record date be sent at least 25 days before the record date to all depositories; the securities regulatory authority; and each exchange in Canada on which the securities are listed, is abridged pursuant to s.2.20 of NI 54-101.

DEEMED RECEIPT OF NOTICE

15. The Meeting Materials shall be deemed, for the purposes of this Interim Order, to have been served upon and received:

    (a) In the case of mailing, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

    (b) In the case of delivery in person, the day following personal delivery or the day following delivery to the person's address; and

    (c) In the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

UPDATING MEETING MATERIALS

16. Notice of any amendments, updates or supplement to any of the information provided in the Meeting Materials may be communicated to the Shareholders by press release, news release, newspaper advertisement or by notice sent to the Shareholders by any of the means set forth in paragraph 11 herein, as determined to be the most appropriate method of communication by the Board.

QUORUM AND VOTING

17. The votes taken at the Meeting required to pass the Arrangement Resolution shall be:

    (a) An affirmative vote of at least 66⅔% of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat, voting as a single class;

    (the "**Requisite Shareholder Approval**").

18. The Requisite Shareholder Approval shall be sufficient to authorize and direct Fosterville to do all such acts and things as may be necessary or desirable to give effect to the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Shareholders, subject only to final approval by this Honourable Court.

19. The quorum required at the Meeting shall be the quorum required by the Articles of Fosterville being one or more shareholders present in person or represented by proxy.

20. For the purpose of counting votes respecting the Arrangement Resolution, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast and the Fosterville Shares, as the case may be, represented by such spoiled votes, illegible votes, defective votes or abstentions not be counted in determining the number of Fosterville Shares represented at the Meeting. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

PERMITTED ATTENDEES

21. The only persons entitled to attend the Meeting shall be the registered Shareholders or their respective proxyholders as of the Record Date, Fosterville's directors, officers, auditors and advisors, the scrutineers, the authorized representatives of Leviathan Gold and Leviathan Finance and any other persons admitted on the invitation of the directors of Fosterville or on the invitation of the Chair of the Meeting, and the only persons entitled to be represented and to vote at the Meeting shall be the registered Shareholders as at the close of business (Vancouver time) on the Record Date, or their respective proxyholders.

SCRUTINEERS

22. A representative of Fosterville's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the Meeting.

SOLICITATION OF PROXIES

23. Fosterville is authorized to use the form of proxy in connection with the Meeting, in substantially the same form as attached as Exhibit "B" to the Hethey Affidavit and the voting methods as set out in the Meeting Materials, and Fosterville may in its discretion waive generally the time limits for deposit of proxies by Shareholders if Fosterville deems it reasonable to do so. Fosterville is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as may be determined.

24. The procedure for the use of proxies at the Meeting, including the time limit for place of deposit, the voting methods and revocation of proxy, shall be as set out in the Meeting Materials.

DISSENT RIGHTS

25. The Shareholders are permitted to exercise dissent rights pursuant to the provisions of sections 237-247 of the *BCA* with respect to the Arrangement Resolution.

U.S. SECURITIES EXEMPTION

26. Fosterville intends to rely upon Section 3(a)(10) exemptions from the registration requirements of the United States Securities Act of 1933, as amended, in connection with the distribution of the New Fosterville Shares and Leviathan Gold Shares as contemplated by the Arrangement, subject to and conditional upon this Honourable Court's determination that the Arrangement is fair and reasonable to the Shareholders.

APPLICATION FOR FINAL ORDER

27. Upon the approval, with or without variation by the Shareholders, of the Arrangement, in the manner set forth in this Interim Order, Fosterville may apply to this Court for, *inter alia*, an Order that:

    (a) The Arrangement, and its terms and conditions, be approved;

    (b) The Arrangement be implemented in the manner and sequence set forth in the Plan of Arrangement, and pursuant to Sections 291, 292 and 296 of the BCA, the Arrangement will take effect as of the Effective Time (as defined in the Plan of Arrangement);

    (c) A declaration that the terms and conditions of the Arrangement, and the exchange of securities to be effected by completion of the Arrangement, are procedurally and substantively fair and reasonable to the Shareholders of Fosterville;

    (d) The Arrangement shall be binding on the Petitioner and its Shareholders upon taking effect of the Arrangement pursuant to section 297 of the BCA; and

    (e) The Petitioner shall be entitled to seek the advice and direction of this Court as to the implementation of this Order or to apply for such further Order or Orders as may be appropriate,

    (collectively, the "**Final Order**").

28. The Petitioner is at liberty to proceed with the hearing of the Final Order on November 17 or 18, 2020 at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street,

Vancouver, British Columbia or as soon thereafter as the hearing of the Final Order can be heard or at such other date and time as the Petitioner may determine or this Court may direct.

29. Any Shareholders desiring to support or oppose the application have the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order, only if, and subject to, such Shareholders filing a Response to Petition and delivering a copy of the filed Response to Petition together with a copy of any additional affidavits or other materials on which particular Shareholders intend to rely at the hearing for the Final Order on or before 9:00 a.m. (Vancouver time) on November 13, 2020, to the solicitors for the Petitioner at:

FASKEN MARTINEAU DuMOULIN LLP
Suite 2900, 550 Burrard Street
Vancouver, B.C. V6C 0A3
Attention: Tracey M. Cohen Q.C

30. Any other interested party desiring to support or oppose the application and/or make submissions at the hearing of the application for the Final Order, which right would need to be determined by the court, shall file a Response to Petition and deliver a copy of the filed Response to Petition together with a copy of any additional affidavits and other materials on which the person intends to rely at the hearing for the Final Order on or before 9:00 a.m. (Vancouver time) on November 13, 2020, to the solicitors for the Petitioner at:

FASKEN MARTINEAU DuMOULIN LLP
Suite 2900, 550 Burrard Street
Vancouver, B.C. V6C 0A3
Attention: Tracey M. Cohen Q.C

31. Sending the Petition and this Interim Order in accordance with paragraph 11 of this Interim Order shall constitute good and sufficient service of the within proceedings and notice of the application for the Final Order and no other form of service need be made and no other material need be served on such persons in respect of these proceedings and that service of the affidavits, including the Hethey Affidavit, is dispensed with. Fosterville shall be at liberty to give notice of this application to persons outside the jurisdiction of this Court in the manner specified herein.

32. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Interim Order need be provided notice of materials filed in this proceeding and notice of the adjourned hearing date.

VARIANCE

33. The Petitioner shall be entitled, at any time, to apply to vary this Interim Order and apply for such other orders and direction from the Court as may be necessary and appropriate.

34. *Supreme Court Civil Rules* 8-1 and 16-1(3) will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

_____

Signature of
☐ Party ☑ Lawyer for Fosterville South Exploration Ltd.

TRACEY M. COHEN, Q.C.

BY THE COURT

_____

REGISTRAR

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

FOSTERVILLE SOUTH EXPLORATION LTD.

PETITIONER

RE: IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, C.57

AND:

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FOSTERVILLE SOUTH EXPLORATION LTD., THE SHAREHOLDERS OF FOSTERVILLE SOUTH EXPLORATION LTD., LEVIATHAN GOLD LTD., and LEVIATHAN GOLD FINANCE LTD.

ORDER MADE AFTER APPLICATION

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
550 Burrard Street, Suite 2900
Vancouver, BC, V6C 0A3
+1 604 631 3131

Counsel: Tracey M. Cohen, Q.C.
Matter No: 307180.00078

SCHEDULE E
NOTICE OF HEARING OF PETITION

(see attached)

No. S-209950
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

FOSTERVILLE SOUTH EXPLORATION LTD.

PETITIONER

RE: IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, C.57

AND:

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FOSTERVILLE SOUTH EXPLORATION LTD., THE SHAREHOLDERS OF FOSTERVILLE SOUTH EXPLORATION LTD., LEVIATHAN GOLD LTD., and LEVIATHAN GOLD FINANCE LTD.

NOTICE OF HEARING

To: WITHOUT NOTICE

TAKE NOTICE that the hearing for the Interim Order set out in the Petition of Fosterville South Exploration Ltd. dated October 5, 2020 will be heard at the courthouse at 800 Smithe Street, Vancouver B.C. on October 8, 2020 at 9:45 a.m.

1 Date of hearing

☐ The parties have agreed as to the date of the hearing of the Petition.

☐ The parties have been unable to agree as to the date of the hearing but notice of the hearing will be given to the Petition Respondents in accordance with Rule 16-1 (8) (b) of the Supreme Court Civil Rules.

☑ The Petition is unopposed, by consent or without notice.

2 Duration of hearing

☑ The parties have been unable to agree as to how long the hearing will take and

(a) the time estimate of the Petitioner is 15 minutes.

3 Jurisdiction

☐ This matter is within the jurisdiction of a master.

☑ This matter is not within the jurisdiction of a master.

Dated: 05-Oct-2020

Signature of Lawyer for Petitioner, Fosterville South Exploration Ltd.

TRACEY M. COHEN, Q.C.

The Solicitors for the Petitioner are Fasken Martineau DuMoulin LLP, whose office address and address for delivery is 550 Burrard Street, Suite 2900, Vancouver, BC V6C 0A3 Telephone: +1 604 631 3131. (Reference: Tracey M. Cohen, Q.C./322891.00001)

SCHEDULE F
INTERIM ORDER

(see attached)

No. S-209950
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

FOSTERVILLE SOUTH EXPLORATION LTD.

PETITIONER

RE: IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, C.57

AND:

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FOSTERVILLE SOUTH EXPLORATION LTD., THE SHAREHOLDERS OF FOSTERVILLE SOUTH EXPLORATION LTD., LEVIATHAN GOLD LTD., and LEVIATHAN GOLD FINANCE LTD.

INTERIM ORDER

BEFORE) THE HONOURABLE JUSTICE BASRAN) 8 October/2020

ON THE APPLICATION of the Petitioner, Fosterville South Exploration Ltd. ("**Fosterville**"), pursuant to sections 186 and 288-297 of the *Business Corporations Act*, S.B.C. 2002, c. 57 (the "**BCA**"), for an Interim Order for directions in seeking approval of a plan of arrangement under Division 5 of Part 9 of the BCA, coming on for hearing at Vancouver, British Columbia on the 8th day of October, 2020 AND ON HEARING Kaleigh Milinazzo, counsel for the Petitioner, by telephone AND UPON READING the Petition and other materials filed herein; THIS COURT ORDERS that:

DEFINITIONS

1. As used in this order, unless otherwise defined, defined terms have the respective meanings set out in the Joint Management Information Circular (the "Circular") relating to the annual and special meeting of the Shareholders of Fosterville attached as Exhibit "A" to the Affidavit of Charles Hethey sworn on October 5, 2020.

MEETING

2. Pursuant to Sections 289 and 291 of the BCA, Fosterville is authorized and directed to call, hold and conduct an annual and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Fosterville Shares**") of Fosterville to be held at 9:30 a.m. (Vancouver Time) on November 13, 2020 at 2900 - 550 Burrard Street, Vancouver, British Columbia, Canada, or such other date and time as the Court may direct, or as adjourned or postponed.

3. At the Meeting, the Shareholders shall:

   (a) receive and consider the report of the directors to the shareholders and the audited financial statements of the Corporation for the year ended December 31, 2019.

   (b) elect seven directors for the ensuing year;

   (c) appoint BDO Canada LLP, as Auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;

   (d) consider, and if thought fit, approve, with or without amendment, an ordinary resolution to re-approve the Corporation's stock option plan, as more particularly described in the Joint Information Circular of Fosterville and Leviathan Gold Finance Ltd. (the "**Circular**") which is attached as Exhibit "A" to Affidavit #1 of Charles Hethey sworn October 5, 2020 (the "**Hethey Affidavit**");

   (e) consider and, if appropriate, pass a special resolution (the "**Arrangement Resolution**") of the Shareholders, the form of which is attached as Schedule "A" to Exhibit "A" of the Hethey Affidavit, relating to a proposed statutory plan of arrangement (the "**Arrangement**") under Section 288 of the BCBCA, whereby all the outstanding common shares of Fosterville (the "**Fosterville Shares**") will be cancelled and the current Fosterville shareholders will each receive:

      (i) an equal number of shares in a new class of Fosterville common shares (the "**New Fosterville Common Shares**"); and

      (ii) an equal number of shares in Leviathan Gold Ltd. ("**Leviathan Gold Shares**"), a wholly-owned subsidiary of Fosterville.

   (f) to consider, and if thought fit, approve, with or without amendment, an ordinary resolution to approve the sale of the exploration licenses for the Avoca Project

(f) to consider, and if thought fit, approve, with or without amendment, an ordinary resolution to approve the sale of the exploration licenses for the Avoca Project and the Timor Projects located in the state of Victoria, Australia and certain other tenements to Leviathan Gold Ltd. ("**Leviathan Gold**") or its affiliates;

(g) consider, and if thought fit, approve, an ordinary resolution to approve a stock option plan for Leviathan Gold; and

(h) transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

4. The Meeting shall be called, held and conducted in accordance with the BCA, applicable securities legislation, the Notice of Special Meeting and Circular, and the articles of Fosterville, subject to the terms of this order made after application (the "**Interim Order**"), and any further order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order.

5. The Chair of the Meeting shall be the Chair of the Board of Directors of Fosterville (the "**Board**") or such other person authorized in accordance with the articles of Fosterville. The Chair is at liberty to call on the assistance of legal counsel to Fosterville at any time and from time to time as the Chair of such Fosterville Meeting may deem necessary or appropriate.

ADJOURNMENT

6. Fosterville, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by press release, news release, newspaper advertisement, or by notice sent to Shareholders by one of the methods specified in paragraph 11 of this Interim Order, as determined by the Board.

7. The Record Date (as defined in paragraph 9 below) shall not change in respect of adjournments or postponements of the Meeting.

AMENDMENTS

8. Fosterville is authorized to make such amendments, revisions or supplements to the Arrangement, Arrangement Agreement, Arrangement Resolution or Plan of Arrangement in accordance with the Arrangement Agreement without any additional notice to the Shareholders, and the Arrangement, Arrangement Agreement, Arrangement Resolution or Plan of Arrangement as so amended, revised and/or supplemented shall be the Arrangement, Arrangement Agreement, Arrangement Resolution or Plan of Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

RECORD DATE

9. The record date for determining the Fosterville Shareholders entitled to receive notice of, attend and vote at the Meeting will be the close of business on October 2, 2020 (the "**Record Date**")

NOTICE OF MEETING

10. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCA, and Fosterville shall not be required to send to the Shareholders any other or additional statement pursuant to Section 290(1)(a) of the BCA.

11. The Notice of Annual and Special Meeting of Shareholders and Circular, which includes the Arrangement Resolution, the Plan of Arrangement, the Interim Order, the Fairness Opinion, the Petition for Final Order and the applicable forms of proxy and letter of transmittal (collectively referred to as the "**Meeting Materials**") in substantially the form as contained in Exhibits "A", "B" and "C" to the Hethey Affidavit, with such deletions, amendments or additions thereto as may be necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be sent to:

    (a) Registered shareholders and non-registered, non-objecting Shareholders of Fosterville, through its transfer agent, by sending copies of the Meeting Materials to non-objecting beneficial owners in accordance with National Instrument 54 101 Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators ("NI 54-101") at least twenty-one (21) days prior to the date of the Meeting; and

    (b) Non-registered, objecting Shareholders, by providing copies of the Meeting Materials to intermediaries and registered nominees for sending to objecting beneficial owners in accordance with NI 54 101 at least three (3) Business Days prior to the twenty-first (21st) day prior to the date of the Meeting; and

    (c) the directors and auditors of Fosterville by regular mail or by email transmission, and

    substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting, and no further notice be required to any other party.

12. Accidental failure of or omission by Fosterville to give notice to any one or more Shareholders, directors or auditors, or the non-receipt of such notice by one or more Shareholders, directors or auditors, or any failure or omission to give such notice as a result of events beyond the reasonable control of Fosterville (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission

is brought to the attention of Fosterville then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

13. Provided that notice of the Meeting and the provision of the Meeting Materials to the Shareholders take place in compliance with this Interim Order, the requirement of Section 290(1)(b) of the BCA to include certain disclosure in any advertisement of the Meeting is waived.

14. Provided that notice of the Meeting and the provision of the Meeting Materials to the Shareholders take place in compliance with this Interim Order, the requirement of Section 2.2 of NI 54-101 that notification of the meeting and record date be sent at least 25 days before the record date to all depositories; the securities regulatory authority; and each exchange in Canada on which the securities are listed, is abridged pursuant to s.2.20 of NI 54-101.

DEEMED RECEIPT OF NOTICE

15. The Meeting Materials shall be deemed, for the purposes of this Interim Order, to have been served upon and received:

    (a) In the case of mailing, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

    (b) In the case of delivery in person, the day following personal delivery or the day following delivery to the person's address; and

    (c) In the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

UPDATING MEETING MATERIALS

16. Notice of any amendments, updates or supplement to any of the information provided in the Meeting Materials may be communicated to the Shareholders by press release, news release, newspaper advertisement or by notice sent to the Shareholders by any of the means set forth in paragraph 11 herein, as determined to be the most appropriate method of communication by the Board.

QUORUM AND VOTING

17. The votes taken at the Meeting required to pass the Arrangement Resolution shall be:

    (a) An affirmative vote of at least 66⅔% of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat, voting as a single class;

    (the "**Requisite Shareholder Approval**").

18. The Requisite Shareholder Approval shall be sufficient to authorize and direct Fosterville to do all such acts and things as may be necessary or desirable to give effect to the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Shareholders, subject only to final approval by this Honourable Court.

19. The quorum required at the Meeting shall be the quorum required by the Articles of Fosterville being one or more shareholders present in person or represented by proxy.

20. For the purpose of counting votes respecting the Arrangement Resolution, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast and the Fosterville Shares, as the case may be, represented by such spoiled votes, illegible votes, defective votes or abstentions not be counted in determining the number of Fosterville Shares represented at the Meeting. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

PERMITTED ATTENDEES

21. The only persons entitled to attend the Meeting shall be the registered Shareholders or their respective proxyholders as of the Record Date, Fosterville's directors, officers, auditors and advisors, the scrutineers, the authorized representatives of Leviathan Gold and Leviathan Finance and any other persons admitted on the invitation of the directors of Fosterville or on the invitation of the Chair of the Meeting, and the only persons entitled to be represented and to vote at the Meeting shall be the registered Shareholders as at the close of business (Vancouver time) on the Record Date, or their respective proxyholders.

SCRUTINEERS

22. A representative of Fosterville's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the Meeting.

SOLICITATION OF PROXIES

23. Fosterville is authorized to use the form of proxy in connection with the Meeting, in substantially the same form as attached as Exhibit "B" to the Hethey Affidavit and the voting methods as set out in the Meeting Materials, and Fosterville may in its discretion waive generally the time limits for deposit of proxies by Shareholders if Fosterville deems it reasonable to do so. Fosterville is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as may be determined.

24. The procedure for the use of proxies at the Meeting, including the time limit for place of deposit, the voting methods and revocation of proxy, shall be as set out in the Meeting Materials.

DISSENT RIGHTS

25. The Shareholders are permitted to exercise dissent rights pursuant to the provisions of sections 237-247 of the *BCA* with respect to the Arrangement Resolution.

U.S. SECURITIES EXEMPTION

26. Fosterville intends to rely upon Section 3(a)(10) exemptions from the registration requirements of the United States Securities Act of 1933, as amended, in connection with the distribution of the New Fosterville Shares and Leviathan Gold Shares as contemplated by the Arrangement, subject to and conditional upon this Honourable Court's determination that the Arrangement is fair and reasonable to the Shareholders.

APPLICATION FOR FINAL ORDER

~~27. Upon the approval, with or without variation by the Shareholders, of the Arrangement, in~~ the manner set forth in this Interim Order, Fosterville may apply to this Court for, *inter alia*, an Order that:

(a) The Arrangement, and its terms and conditions, be approved;

(b) The Arrangement be implemented in the manner and sequence set forth in the Plan of Arrangement, and pursuant to Sections 291, 292 and 296 of the BCA, the Arrangement will take effect as of the Effective Time (as defined in the Plan of Arrangement);

(c) A declaration that the terms and conditions of the Arrangement, and the exchange of securities to be effected by completion of the Arrangement, are procedurally and substantively fair and reasonable to the Shareholders of Fosterville;

(d) The Arrangement shall be binding on the Petitioner and its Shareholders upon taking effect of the Arrangement pursuant to section 297 of the BCA; and

(e) The Petitioner shall be entitled to seek the advice and direction of this Court as to the implementation of this Order or to apply for such further Order or Orders as may be appropriate,

(collectively, the "**Final Order**").

28. The Petitioner is at liberty to proceed with the hearing of the Final Order on November 17 or 18, 2020 at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street,

Vancouver, British Columbia or as soon thereafter as the hearing of the Final Order can be heard or at such other date and time as the Petitioner may determine or this Court may direct.

29. Any Shareholders desiring to support or oppose the application have the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order, only if, and subject to, such Shareholders filing a Response to Petition and delivering a copy of the filed Response to Petition together with a copy of any additional affidavits or other materials on which particular Shareholders intend to rely at the hearing for the Final Order on or before 9:00 a.m. (Vancouver time) on November 13, 2020, to the solicitors for the Petitioner at:

FASKEN MARTINEAU DuMOULIN LLP
Suite 2900, 550 Burrard Street
Vancouver, B.C. V6C 0A3
Attention: Tracey M. Cohen Q.C

30. Any other interested party desiring to support or oppose the application and/or make submissions at the hearing of the application for the Final Order, which right would need to be determined by the court, shall file a Response to Petition and deliver a copy of the filed Response to Petition together with a copy of any additional affidavits and other materials on which the person intends to rely at the hearing for the Final Order on or before 9:00 a.m. (Vancouver time) on November 13, 2020, to the solicitors for the Petitioner at:

FASKEN MARTINEAU DuMOULIN LLP
Suite 2900, 550 Burrard Street
Vancouver, B.C. V6C 0A3
Attention: Tracey M. Cohen Q.C

31. Sending the Petition and this Interim Order in accordance with paragraph 11 of this Interim Order shall constitute good and sufficient service of the within proceedings and notice of the application for the Final Order and no other form of service need be made and no other material need be served on such persons in respect of these proceedings and that service of the affidavits, including the Hethey Affidavit, is dispensed with. Fosterville shall be at liberty to give notice of this application to persons outside the jurisdiction of this Court in the manner specified herein.

32. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Interim Order need be provided notice of materials filed in this proceeding and notice of the adjourned hearing date.

VARIANCE

33. The Petitioner shall be entitled, at any time, to apply to vary this Interim Order and apply for such other orders and direction from the Court as may be necessary and appropriate.

34. *Supreme Court Civil Rules* 8-1 and 16-1(3) will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

FOR _____

Signature of
☐ Party ☑ Lawyer for Fosterville South Exploration Ltd.

TRACEY M. COHEN, Q.C.

BY THE COURT

_____ J. J. CHECKED NR

REGISTRAR

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

FOSTERVILLE SOUTH EXPLORATION LTD.

PETITIONER

RE: IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, C.57

AND:

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FOSTERVILLE SOUTH EXPLORATION LTD., THE SHAREHOLDERS OF FOSTERVILLE SOUTH EXPLORATION LTD., LEVIATHAN GOLD LTD., and LEVIATHAN GOLD FINANCE LTD.

ORDER MADE AFTER APPLICATION

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
550 Burrard Street, Suite 2900
Vancouver, BC, V6C 0A3
+1 604 631 3131

Counsel: Tracey M. Cohen, Q.C.
Matter No: 307180.00078

SCHEDULE G
DISSENT PROVISIONS OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

DIVISION 2 Of Part 8 of the BCBCA

Definitions and application

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(c) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(d) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(e) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(f) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(g) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(h) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(i) in respect of any other resolution, if dissent is authorized by the resolution;

(j) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(k) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(l) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(m) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(n) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(o) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(p) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(q) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(r) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(s) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(t) a copy of the proposed resolution, and

(u) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(v) a copy of the proposed resolution, and

(w) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(x) a copy of the resolution,

(y) a statement advising of the right to send a notice of dissent, and

(z) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(aa) a copy of the entered order, and

(bb) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(cc) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(dd) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(ee) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1)(g) must send written notice of dissent to the company

(ff) on or before the date specified by the resolution or in the statement referred to in section 240(2) (b) or (3)(b) as the last date by which notice of dissent must be sent, or

(gg) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company

(hh) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(ii) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(jj) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(kk) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(ll) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(mm) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(nn) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1)(a) or (b) of this section must

(oo) be dated not earlier than the date on which the notice is sent,

(pp) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(qq) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(rr) a written statement that the dissenter requires the company to purchase all of the notice shares,

(ss) the certificates, if any, representing the notice shares, and

(tt) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1)(c) must

(uu) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(vv) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(ww) the dissenter is deemed to have sold to the company the notice shares, and

(xx) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(yy) promptly pay that amount to the dissenter, or

(zz) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(aaa) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(bbb) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and

(ccc) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must

(ddd) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(eee) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),

(fff) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(ggg) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(hhh) the company is insolvent, or

(iii) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(jjj) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(kkk) the resolution in respect of which the notice of dissent was sent does not pass;

(lll) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(mmm) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(nnn) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(ooo) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(ppp) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(qqq) the notice of dissent is withdrawn with the written consent of the company;

(rrr) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(sss) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,

(ttt) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE H
LEVIATHAN GOLD LTD. FOLLOWING THE ARRANGEMENT AND AMALGAMATION

NOTICE TO READER

As at the date hereof, SpinCo has not carried on any business. The Arrangement provides FSX Shareholders with the opportunity for equity participation in SpinCo. Unless otherwise noted, the disclosure in this Schedule H has been prepared assuming that the Arrangement Amalgamation, Finco Financing and Purchase Agreement have been completed.

All capitalized terms used in this Schedule H but not otherwise defined herein have the meanings set forth in the "*Glossary of Defined Terms*" in the Circular.

No securities regulatory authority has expressed an opinion about the Arrangement or the SpinCo Shares to be issued pursuant to the Arrangement and it is an offense to claim otherwise.

An investment in SpinCo should be considered highly speculative due to the nature of its activities and the present stage of its development. SpinCo was incorporated for the sole purpose of participating in the Arrangement and has not carried on any business other than in connection with the Arrangement and related matters. See "*Risk Factors*".

The following information is a summary of the business and affairs of SpinCo and should be read together with the more detailed information including audited and unaudited financial data and statements regarding SpinCo, FSX and the Arrangement contained elsewhere in the Circular.

CORPORATE STRUCTURE

Name, Address and Incorporation

Leviathan Gold Ltd. was incorporated under the BCBCA on June 24, 2020. Its registered office is located at 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3.

Leviathan Gold Finance Ltd. was incorporated under the BCBCA on June 25, 2020. Its registered office is located at 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3.

Pursuant to the Arrangement Agreement, following the Effective Date of the Arrangement, it is anticipated that SpinCo CanSub and Finco will amalgamate and in connection with the Amalgamation, each holder of Finco shares will receive one share of SpinCo (Leviathan Gold Ltd) for each share of Finco held.

Intercorporate Relationships

As at the date hereof, the only subsidiary of SpinCo is Leviathan Gold (Australia) Pty Ltd., which is a wholly-owned subsidiary of SpinCo incorporated under the laws of Australia. Prior to the date of the Amalgamation, SpinCo will incorporate SpinCo CanSub in order to undertake the Amalgamation.

Finco does not have any subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

General

SpinCo was incorporated for the sole purpose of participating in the Arrangement and has not carried on any business to date. Finco was incorporated for the sole purpose of undertaking the Finco Financing and participating in the Arrangement and has not carried on any business to date. Assuming the Arrangement and Amalgamation become effective and the Finco Financing and the transactions contemplated by the Purchase Agreement are completed, following completion of each, SpinCo will own or hold, directly or indirectly: (i) the Avoca and Timor exploration licenses and the other mineral tenements comprising the SpinCo Projects, including any and all concessions, lands, mineral rights, mineral and surface leases, books and records or other assets used, held for use or

pertaining to the SpinCo Projects, and (ii) such other property or assets as FSX may determine. Following completion of the Arrangement, SpinCo will carry on the business currently carried on by FSX with respect to the Timor and Avoca properties.

A description of SpinCo's business is provided in this Schedule H. The audited carve out financial statements of the SpinCo Projects for the period from acquisition to June, 30, 2020, together with the auditors' report thereon are provided in Schedule J. Unaudited *pro forma* financial information concerning SpinCo is provided in Schedule K.

SpinCo Capitalization

Following completion of the Arrangement, the Finco Financing, and the Amalgamation but prior to giving effect to the transactions contemplated by the Purchase Agreement or the payment of agent fees in connection with the Finco Financing, SpinCo is anticipated to have cash in the amount of $5 million.

TSXV Listing and Securities Law Matters

Upon completion of the Arrangement, SpinCo will become a reporting issuer in British Columbia and Alberta, and will become subject to the continuous disclosure requirements under applicable Canadian securities laws.

SpinCo intends to apply to list the SpinCo Shares. Listing the SpinCo Shares on TSXV will be subject to (i) Finco completing the Finco Financing, (ii) completion of the Amalgamation and the transactions contemplated by the Purchase Agreement, and (iii) SpinCo fulfilling all of the minimum listing requirements of the TSXV. There can be no assurance that TSXV will list the SpinCo Shares or provide the required approvals in respect of the Arrangement and the Purchase Agreement. If TSXV approves the listing of the SpinCo Shares, trading on the TSXV in the SpinCo Shares is expected to commence shortly following the completion of the Amalgamation. The SpinCo Shares will be subject to the following restrictions on resale or transfer imposed by the Corporation as a condition to the distribution to the Shareholders pursuant to the Arrangement:

(a) 25% will be restricted for four months from the Effective Date;

(b) 25% will be restricted for eight months from the Effective Date,

(c) 25% will be restricted for twelve months from the Effective Date; and

(d) the final 25% will be restricted for sixteen months from the Effective Date.

The certificates or other evidence representing SpinCo shares will bear legends or be identified by restricted CUSIP numbers evidencing such contractual restriction, and instructions may be provided to the Corporation's transfer agent to enforce such restrictions on transfer.

Accordingly, Shareholders will not be able to trade any of the SpinCo Shares issued pursuant to the Arrangement until four months following the Effective Date and the trading in the SpinCo shares will be constrained until sixteen months from the Effective Date. No such restrictions will apply to the SpinCo Shares to be received in connection with the Amalgamation by holders of Finco securities subscribed for and issued in connection with the Finco Financing.

See "*Certain Securities Law Matters - Canadian Securities Laws*" in the Circular.

Bankruptcy and Similar Procedures

There have been no bankruptcy, receivership or similar proceedings against SpinCo or Finco, or any voluntary receivership, bankruptcy or similar proceeding by SpinCo or Finco since its incorporation.

Material Restructuring Transactions

Other than the Arrangement, Amalgamation and the transactions contemplated hereby or thereby there have been no material restructuring transactions of SpinCo or Finco since its incorporation. See "*The Arrangement*" in the Circular.

Social and Environmental Policies

As SpinCo was incorporated for the sole purpose of participating in the Arrangement and has not carried on any business other than in connection with the Arrangement and related matters, SpinCo has not yet implemented any social or environmental policies.

SpinCo will be committed to meeting industry standards in each jurisdiction in which it operates with respect to human rights, environment, and health and safety policies. Management, employees and contractors will be governed by and required to comply with the policies of SpinCo in force from time to time, as well as all applicable legislations and regulations.

It will be the primary responsibility of the managers, supervisors and other senior SpinCo field staff to oversee safe work practices and ensure that rules, regulations, policies and procedures are being followed. SpinCo will establish roles and responsibilities to facilitate effective management of this policy throughout the organization.

DESCRIPTION OF THE BUSINESS

SpinCo was incorporated for the sole purpose of participating in the Arrangement, and following the Arrangement, exploring and developing the SpinCo Projects. SpinCo has not carried on any active business to date other than in connection with the Arrangement and related matters. Following completion of the Arrangement, the Amalgamation, and the transactions contemplated by the Purchase Agreement, SpinCo will carry on the business currently carried on by FSX with respect to the Timor and Avoca properties.

TIMOR AND AVOCA PROPERTIES

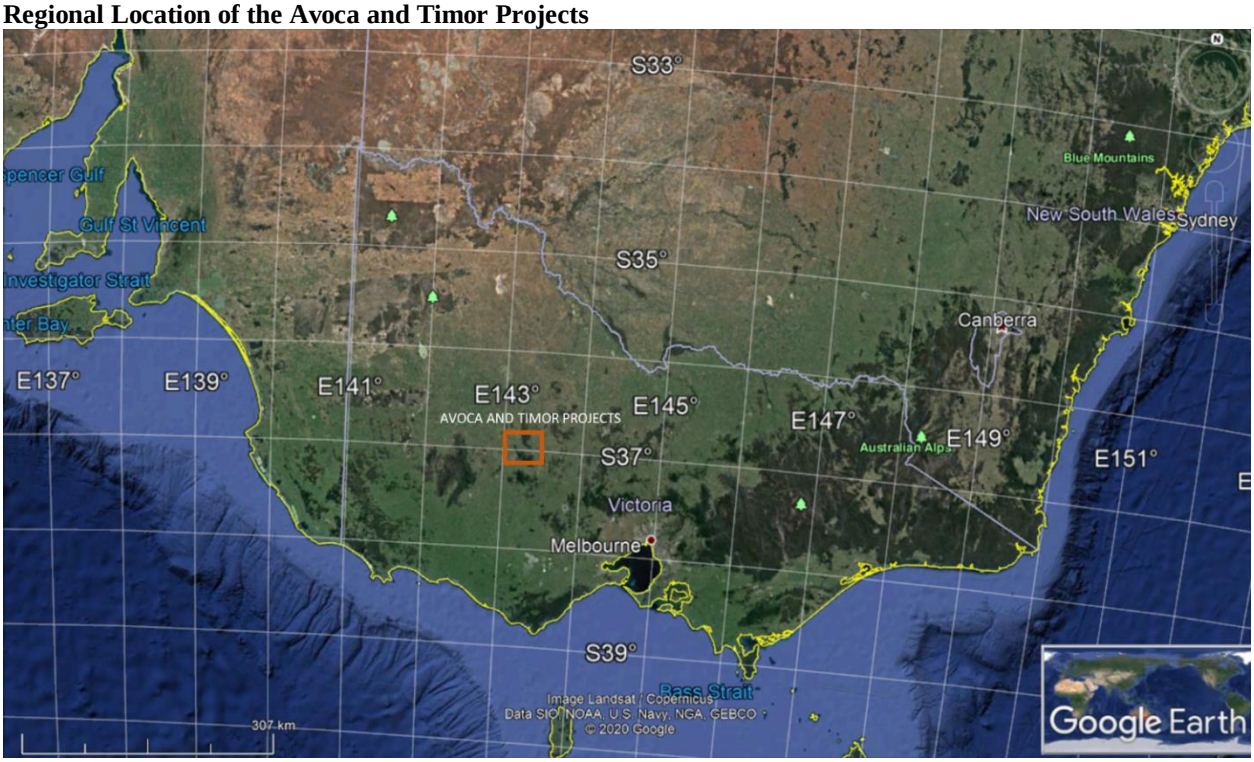
Following completion of the Arrangement, Amalgamation, Finco Financing and the transactions contemplated by the Purchase Agreement, SpinCo will beneficially own all of FSX's interests in and to the SpinCo Projects.

The following information has been taken and adapted from the Technical Report entitled NI 43-101 technical report for the Avoca and Timor Properties, Central Victoria, Australia" prepared for Leviathan Gold Ltd. effectively dated August 10, 2020, prepared by Stuart Hutchin, B.Sc., MAIG, of Mining One Pty Ltd.

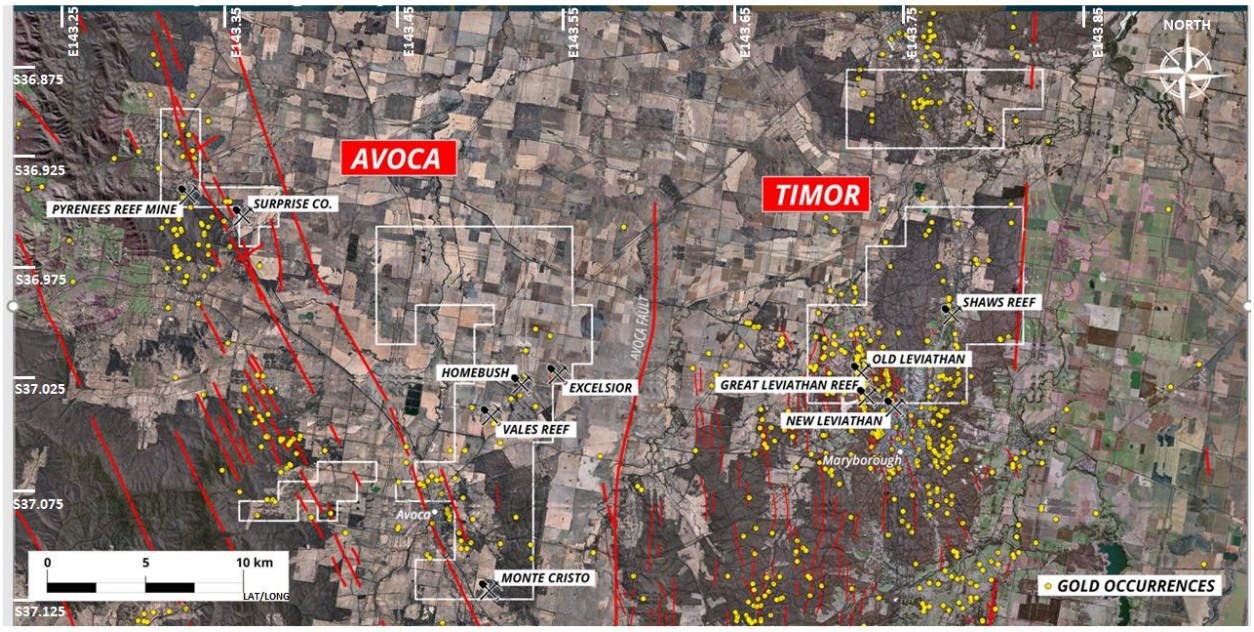
PROJECT DESCRIPTION, LOCATION AND ACCESS

The Avoca and Timor properties are located in the Central Highlands of Victoria, Australia, approximately 180 km northwest of the state capital of Melbourne. The project locations are shown in the figures below. Both project areas are easily accessible by sealed roads and supported by modern infrastructure.

Regional Location of the Avoca and Timor Projects



Avoca and Timor Project Licence Areas with Prospects Identified



Both projects have been subject to historical gold mining activities primarily from the mid 1850's through to the early 1900's. Mining targeted alluvial deep lead style gold occurrences and hard rock primary gold in quartz vein deposits that were mined via shaft and underground stoping methods. Small scale historical production was recorded by the Government Geologists of the time in detailed reports that are maintained within online databases managed by Geoscience Victoria.

The Avoca project (EL 5387) is centred around Avoca, a historic mining town approximately 71 km northwest of the major regional and historic mining centre of Ballarat. The Avoca project area consists of 106 km^2 within

EL5387. Numerous historical alluvial and primary gold workings are located within the area. The Timor Project (EL 6278) is located approximately 10km to the east of the Avoca project area, approximately 2 km south of the town of Dunolly. The project consists of one exploration license (EL6278) split over two areas covering a total of 121 km^2.

Access to power, water, sites for potential waste deposal, processing plant sites and waste dump sites are available within both exploration license areas. Mining personnel and technical staff are also readily available given the long history of gold mining in Victoria. There are no known significant factors or risks that may affect access, title, or the right or ability to perform work on the properties.

Both properties comprise private land and state-owned crown land. The crown land is in the form of various types including state forest and historic reserves. Both types of government land allow minerals exploration, however the historic reserves require additional criteria to be met in terms of environmental impacts and rehabilitation. Information available on the targets within the Timor area is generally not as well defined as is the case with the targets located within the Avoca area.

The Timor project overlaps the northern fringe of the Maryborough township, is 2km south of Dunolly and includes the historic gold town of Timor. The tenement was issued in March 2017 for a period of 5 years. The tenement was held by Mercator Gold Australia Pty Ltd. ("**Mercator**"). On April 20, 2020 FSX entered into a purchase agreement with Mercator to acquire a 100% interest in both the Avoca and Timor exploration licenses.

Under the terms of the purchase agreement with Mercator, FSX agreed to pay Mercator AUD$1 for every ounce of gold or gold equivalent of measured resource, indicated resource or inferred resource within one or more of the tenements comprising the projects, which payment shall not exceed a total of AUD$1,000,000. In the event FSX carried out commercial production on the gold projects, FSX will pay Mercator AUD$1 for every ounce of gold or gold equivalent ounces produced from the tenements comprising the gold projects, which payment shall not exceed a total of AUD$1,000,000. These obligations are expected to be assumed by SpinCo in connection with the transactions contemplated by the Purchase Agreement.

Tenement Summary

Project	License Number	Grant Date	Expiry Date	Area (km^2)	Location	
					Latitude	Longitude
Avoca	EL5387	25/01/2017	27/11/2021	106	-37.060873^o	143.497709
Timor	EL6278	17/03/2017	16/03/2022	121	-37.019434^o	143.755772

To operate the licenses, a program of work must be proposed, which must include the following:

- the nature of the work to be undertaken;
- as far as practicable, an indication of the location and focus of the proposed exercises with location maps;
- a description of the nature of targets that the program seeks to delineate;
- a description of the geological rationale behind the proposed program; and
- an estimated timing of the exploration program.

The program of work must describe the geological rationale behind the program of work over the term of the licence as proposed at the time of application, although the program of work and related rationale may be revised with ministerial approval during the life of the licence. The rationale should cover the following elements:

- **Area selection** – Desk-top evaluations of the geological, geochemical and geophysical data used to select areas that have potential to contain an orebody
- **Target identification** – Mapping/surveying within selected areas to determine whether or not there are targets

- **Target testing** – Sub-surface evaluation of targets using drilling and other means
- **Resource delineation** – Determination of the size, grade, extent and mineralogy of mineral resources

The program of work should detail the work which will be undertaken for each year of the licence, clearly distinguishing between work which is on-the-ground exploration and office-based activities, as defined further below. It is expected that, generally, the applicant would commit to target testing within the first three years of the licence and for drilling to be undertaken by the end of the third year.

Work plans that support the proposed exploration budget are in the process of being formulated and have therefore not been submitted as yet. Once the work plans are submitted and approved the work can be completed by SpinCO. The exploration licenses provide surface access rights in the case of areas covered by crown land and to private property after consultation with relevant land owners. These access rights allow for surface exploration work to be completed under the conditions of approved work plans.

The licenses require annual expenditures that are based on a per area calculation dependent on the year of the license since granting.

The expenditure condition applying to a licence will generally be the minimum annual requirements set out in the table below, or, where the proposed expenditures submitted with the licence application are higher than the minimum requirements, the proposed expenditures.

Victorian Exploration License Minimum Expenditure Requirements

Year of License	A$/Graticule	Fixed Expenditure (A$)
1	150	15000
2	200	15000
3	200	15000
4	200	15000
5	300	15000

Using the required minimum expenditure formula provided that applies a dollar value per graticule (3.225km2) and adding the fixed expenditure component under the regulations the expenditure required for the upcoming year is summarised in the table below. Both licenses are in the year five category.

Avoca and Timor Minimum Expenditure Requirements

Project	License	Graticules	Minimum Expenditure
Avoca	EL5387	33	$24,900
Timor	EL6278	38	$26,400

There are no known environmental liabilities to which the properties are subject.

The region of the Central Highlands in which the properties are located have reliable infrastructure, including well maintained roads, rail, power, regional airports and mobile communication coverage. The closest major city of Ballarat has various facilities and infrastructure such as hotels, restaurants, trade stores and postal services. The smaller towns such as Avoca and Dunolly have similar services, but to a lesser degree.

Both tenements are serviced by major, sealed state highways with good all year access and are serviced by large regional towns. The junction of State Sunraysia Highway and Pyrenees Highway is where the Avoca project is located. These are well maintained, sealed roads suitable for all weather types. Heavy transport vehicles are able to use both roads. The tenements can then be accessed via local sealed roads and well used dirt tracks.

History

Victoria is one of the world's major gold provinces, with a total recorded gold production greater than 2,500 tonnes from its discovery in 1851. Victorian gold represents approximately 32% of all gold mined in Australia and 2% of total gold mined in the world. Alluvial gold production in Victoria from 1851 to 2016 was approximately 710 tonnes, making it one of the largest alluvial gold provinces in the world. These records are not historical resource estimates, but instead are official Victorian Government gold production records from individual mines. The records are listed in government geological reports that were compiled by the government appointed Geologist and Mining Engineer of the time. Historical production records do not carry a comparable confidence level to a current Mineral Resource estimate reported in accordance with JORC or NI43-101 and should not be treated as such. Neither SpinCo nor FSX treat these historical production records as indicators of a current mineral resource or mineral reserve.

Avoca Prospects

The first goldfield in northwest Victoria was discovered at Avoca by prospectors who were travelling to Bendigo in September 1853. The majority of early gold production was sourced from alluvial (deep lead) deposits within the Avoca area. Since then, various exploration activities have occurred in the tenement, summarized below:

- The Homebush Lead was drilled in the 1890s to identify basement. An isopach basement map was the only recording of this drilling.
- During the 1930s there was a new interest in the Avoca alluvial deposits with a number of companies formed to exploit the shallow gold. The main mining method was either hydraulic sluicing or bucket-wheel dredging.
- Lamplough GMCL performed extensive drilling in the 1930s in the southern part of the tenement. Records indicate hole depth but no assay results.
- The Redback Dredging NL Company operated a bucket-wheel dredge from 1939 – 1940 at Hines' Diggings north of Redbank. It reportedly produced 1788.4 ounces of gold from 474,156 m3. The average grade was 0.11 g/m3 at an average depth of 6.4 m.
- The late 1930s seen New Pyrenees Alluvials NL pattern drilled a portion of the No. 2 Creek alluvial deposit. A historic report estimated 15 Mm3 at 0.2 g/m3 to a maximum depth of 23 m. Bucket wheel dredge was the proposed method of extraction, with 85% of the deposit occurring within the current tenement.
- In the 1980s CRA Exploration Limited (CRAE) performed localised drilling of valleys within the northern portion of the tenement. Further work was recommended but not followed up.
- Ashton Mining drilled five cable tool holes at 3 – 4km apart, following the inferred direction of buried alluvial gutters in the Moonambel Creek and Avoca River areas. The program discovered two specks of gold at a depth of 20.4 m. Ashton then focussed their efforts on the Landsborough gold field, west of the tenement that came back with 43.9 Mn3 at 0.17 g/m3.
- CRAE also sampled alluvial mine dumps at Landsborough in the mid-1990s. This was followed by drilling in search of disseminated sediment hosted gold. The program yielded information on the correlation between dump samples and drill results.

Leviathan acquired the license from Mercator Gold Australia Pty Ltd who completed surface sampling and scout drilling over the project area on multiple targets.

There has been no systematic geophysics or drilling (apart from limited shallow scout programs) of any of the other extensive alluvial or primary gold systems within the Avoca project.

As summarized above, exploration completed on the Avoca prospects comprises a combination of historical alluvial dump sampling via auger drilling, surface soil and chip sampling and some limited rotary air blast (RAB) and reverse circulation (RC) drilling.

Ground-penetrating radar (GPR) surveys have also been carried across the Avoca project area. These were concentrated in the alluvial valleys in search of buried gutters with alluvial gold potential, and indicate a large number of geological anomalies that require further testing via drilling and sampling.

The known historical exploration activities on the Avoca license prospects are described in greater detail below.

Pyrenees Reef Mine

Field mapping at the Pyrenees prospect included mapping of historic workings and some geological observations. Forty-five shafts were mapped along with a series of narrow open cuts that run along the reef at the surface. At least two mineralised structures were mined via the shallow open pits and underground workings. Historical production is claimed to be 16,199 tonnes @ 31.37 g/t Au for a total of 16,602 ounces Au. Mineralised quartz veins are recorded to have been plunging to the south and could comprise a repeating en echelon series through the prospect area. The surface workings extend across a width of 30 m and along strike for greater than 500m.

Surprise Co. Prospect

Details of the Surprise Co. old workings are limited however the prospect comprises a mineralised system that is granite related within siderite-sericite mineralisation breccia pipes as well as au bearing quartz veins. The mineralisation is polymetallic in that Au, Ag, Mo, Bi, Pb and tellurides have been noted within the prospect area.

Homebush

The Homebush prospect consists of deep leads and potential primary mineralisation. Previous exploration work has defined significant portions of the leads have not been historically mined and are considered to be an attractive exploration target. A isopach map was constructed of the northern extension of the Homebush Lead, north of the Working Miners. This area has not been reportedly worked historically and it is considered that alluvial gold has possibly accumulated in the centre of the area due to gutters converging toward the centre, forming a sump-like trap. Tailings dump sampling was completed and reported on in the annual tenement report in 2016, however there were uncertainties over the quality of the assay data and SpinCo is not relying on the data.

Excelsior

The Excelsior prospect is interpreted to host structurally controlled gold mineralisation developed within quartz veins. Historical production is recorded as 9,000 ounces. Modern exploration work completed on the prospect has included surface sampling and mapping. Work reported in the 2016 annual tenement report included two soil sampling traverses (samples RDC33 to 42) conducted at the western part of the prospect. There is considerable quartz vein float present in the NNW traverse and very little present in the western traverse. The results yielded a zone of slightly anomalous >5ppb gold in soil corresponding to the on strike western extension of the Excelsior reef with a peak assay of 13 ppb over a distance of 250m.

The NNW traverse was duplicated using lag sampling of quartz float and ppm standard assays (BLC52 to 58 samples). These assays ranged between 0.01 and 0.07 ppm with the slightly higher assays corresponding to an area down slope from the mine rather than along strike to the Excelsior reef.

Other rock chip sampling of mainly quartz veined material was collected from the waste dumps present at the various shaft dumps. The only significant gold result came from quartz veined hornblende hornfels taken from the main production shaft dump which assayed 10.8 ppm Au (BLC59). The Excelsior mine consists of one main ore shoot mined to about 90 meters depth noted from the historical records. The outcrop of the reef is covered by mine tailings and would require some earthworks to expose the vein system.

Tailings dumps exist within the Excelsior prospect area and have been mapped and sampled in programs reported in the 2016. Assays of samples gave between 0.25 g/t Au (BLEG) and 0.33 g/t Au (Fire Assay). As a rough indication of recovery from cyanide in an unmilled state, BLEG recovers about 79% of the total gold found in the fire assay. These were considered too low to be of economic interest.

Grid based auger sampling of the hardrock tailings was undertaken at the Excelsior prospect where a conceptual exploration tailings dump target between 10 kt and 15kt of tailings is defined. The dumps have not yet been surveyed to confirm the tonnage available.

The grades of the main dump in the south are relatively consistent. Eight samples were assayed as received by BLEG and the other nine samples were assayed by pulverization and fire assay.

Golden Lake and Golden Lake East

Exploration work completed at the Golden Lake and Golden Lake east prospects has primarily consisted of tailings dump sampling programs. Tailings dump sampling has included exploration work documented in 2016 with further sampling and test-work that was focussed on evaluation of the coarser gold fractions using higher sieve sizes and the bottle roll technique on stored bulk rejects. In all 50 assays were carried out using various techniques. These assays confirmed the previous assay grades.

The Golden Lake dump has been surveyed but the computer modelling of this data is not yet complete for the purposes of making a 3D model. Further sampling and test-work was also undertaken on the Golden Lake East dump with 20 bottle roll cyanide extractable gold tests. These assays confirmed the previous assay grades. Apart from six previous grab samples of dump material (BLC01 to 05 series), which were pulverised and fire assayed, all the rest of the samples were bottle rolled (BLEG) assayed. Size fractions were either <3mm or -600um.

Vales Reef

The Vales Reef prospect is located approximately 2km from the Workers Mine. Exploration work completed and reported in the 2016 annual tenement report included two sampling traverses conducted across the northern extension of the Vale's prospect along the roadside. One sampling traverse was undertaken taking quartz vein float samples (BKD22 – 28) while the other was a more conventional soil sampling traverse of -355um silt (ORB35-42). The quartz float material was assayed in the ppm range and assay results varied between 05 and 0.02 ppm Au and therefore was not significant. The soil sampling traverse of eight samples averaged 14 ppb Au and the peak result is 22ppb. Compared to the Monte Christo results this anomalism is fairly low order and the significance of which is yet to be established. Previous sampling of mainly quartz vein float material was collected from the waste dumps present at the Vale's prospect. Five samples were collected and average 1.26 with a peak result of 5.06 ppm Au of quartz taken near a collapsed stope.

Monte Cristo

A geochemical program has been completed at the Monte Cristo Prospect. This was conducted using a portable XRF. Proxy elements such as arsenic and antimony were measured. Sampling points varied between 2 – 20 m spacing depending on the nature and stage of the exploration program. A total of 169 samples were taken across 18 traverses. The soil samples had a peak arsenic reading of 224 ppm, with an average across all samples of 42.57 ppm.

Field mapping of the historic and alluvial workings has also been performed at Monte Cristo. A total of 83 shafts were mapped, with 15 of these exceeding 10 m. Only the Monte Cristo shaft has sunk below the water table, and was not able to be located. Alluvial working cover potential reefs but are also useful to track back to the reef sources.

Exploration work described in the 2016 annual tenement report included completion of two soil sampling traverses (samples ORB43 to 56) conducted across a wide zone of quartz veining and associated workings. The results yielded wide zones of anomalous gold in soil and averaged 75 ppb with a peak assay of 163 ppb.

Previous rock chip sampling of mainly quartz veined material was collected from the waste dumps present at the Monte Cristo prospect. Ten samples were collected. The gold results are generally anomalous in the 0.1 to 1.0 ppm range with only two samples <0.1 and a single sample >1 ppm of 2.66 ppm Au. An earlier sample taken in the 1980s assayed 8.8ppm on a vein outcrop in a pit which is now collapsed and not accessible.

Based upon the distribution of the samples and dumps it would appear that there are 4 parallel auriferous quartz veins over a width of 120 meters and this is largely confirmed by the soil sampling results.

Working Miners and Working Miners United

The Working Miners and Working Miners United prospects are located approximately 3km north of the Excelsior workings. Tailings dumps related to these prospects have been sampled in previous exploration programs where results produced <0.5 ppm Au average grades, these were assessed as non-economic. Primary mineralisation associated with these prospects is interpreted to be structurally controlled gold occurring in quartz veins similar to the majority of gold occurrences in the region. Further work is required to gain a better understanding of the primary gold mineralisation distribution.

Bung Bong

Exploration completed at the Bung Bong prospect includes a geochemical program where a total of 133 samples were taken across seven traverses that ran in a NE – SW direction. Moderate soil arsenic levels were recorded, with a peak reading of 207 ppm. The average across all samples was 23.24 ppm.

Field mapping of the historic workings and a road cutting have also been undertaken at Bung Bong. Eighty shafts were mapped, with 9 of them exceeding 10 m in depth. Two shafts extended below the water table. The road cutting on the Pyrenees Highway shows at 7 east-dipping reverse faults that partition vein development and offset steep west-dipping beds. Quartz is found to occur on the faults. Information to describe work completed in the 2016 annual tenement report included sampling of mainly quartz veined material collected from the waste dumps present at the Bung Bong prospect as well as in the northern area, across the creek. In all 27 rock chip samples were taken from the prospect area, which average 0.38 ppm and had a peak response of 6.13ppm. All of the samples except the highest grade sample assayed less than 1ppm and the median assay is 0.07ppm.

There are a large number of quartz veins at this prospect and most of these are barren, however the mine production stope was restricted to one main central vein which extended from the creek south to Coughlan's shaft.

East of the main Coughlan's shaft workings, operated by the Bung Bong GM Co in the period 1883-1886, there is a steeply west dipping quartz vein of around 1 meter thick at the 60 feet level. At surface, east of the main shaft and adjoining here there are a number of other workings over a width of 20 meters. It would appear that there are at least three large reefs within this 20 metre wide zone.

In order to establish the strike length of this area of mineralization further surface sampling was undertaken to the south. Nine samples were collected of quartz rich material from the various prospecting pits and slots present. Only two of these nine samples assayed >0.1ppm, with 0.32 (BLC32) & 0.82 (BLC34) and these correspond in location to the southern section of the main stoped veined.

This and previous sampling indicates that the main vein continues to be mineralized south of Coughlan's shaft albeit at a lower grade, as the 0.82ppm sample is from an outcropping 0.5m wide quartz vein.

Based upon the rock chip results, mine workings location and the historic production there is potential for an open cut mine of moderate to low grade material from the creek to south of Coughlan's shaft which is distance of 110 meters and up to 20 meters wide in the Central section east of the shaft.

Further north across the creek there are a number of parallel quartz veins over a width of 50 meters and sampling of these veins showed that the eastern most set of veins are gold mineralized while the others are largely barren despite extensive working being present there. This could mean that the gold is more nuggetty in the western parts of the vein set.

To the north east of the northern Bung Bong area a small mine with a bulldozed stope was discovered and sampled. Two samples were taken with the quartz vein sample taken from around the old stope assaying 0.64 (RDC51). The other sample of quartz was taken at the southern end of the workings and was not anomalous (RDC50).

The significance of anomalous rock chip grades compared to expected drill grades remains to be established, such that would the drilled grade be the same or slightly higher once the actual ore zone is intersected. The anomalous grades may be a halo effect around the core high grade mineralization and if this is the case then anomalous areas should be drilled in search of the high grade core zone.

Research has found that the main bottom level drive was constructed in 1884 and was at a depth of 54 meters (177' level), which extended for 37.5m (123') north and 7.6m (25') south under the Bung Bong Company. This company crushed between 150 and 210 tons for a 'very poor yield' and then abandoned the mine. Mr Ritchie mined 7 tons for 3.85 ounces in 1890 from the 30m (100') level, in a winze 4.5m (15') deep and 12m (40') north of the shaft. He followed this work with another crushing from the 54m level at the same grade. The mine was then taken up by the Bung Bong Company, a newly formed company, in July 1892.

Geological field mapping completed via road cutting exposures in the Bung Bong prospect provided multiple hypothesis for the style of mineralisation found within the deposit. The two alternatives compare the structural setting to either the Bendigo or Ballarat style of mineralisation. The road cutting on the Pyrenees Highway shows at least 7 east-dipping reverse faults that partition vein development and offset steep west-dipping beds. These faults align with the zone of workings to the south.

Further work is however required to confirm the geological and structural setting at the Bung Bong prospect in order to develop drill targets.

Henrys Hill

Henry's Hill is located within EL5387 and is 10 km north of Avoca in central Victoria. Gold and tungsten were historically mined from the prospect. Within Henry's Hill there are shallow historic workings in a zone over 800 m long and up to 100 m wide. The area was mapped in 1950, which identified a series of north-dipping faults dissecting NW trending sediments. The most likely geological reconstruction has these faults intersecting a north-plunging anticline under cover to the east.

Other Avoca Prospects

In addition to the prospects noted above there exist numerous other prospects within the Avoca project area where production has been recorded in the geoscience Victoria historical records. The other prospects are listed in the table below and warrant follow-up with surface sampling and drilling in future exploration programs. The production figures have been sourced from the Geoscience Victoria government historical reports compiled between the 1860's and early 1900's.

Avoca Project Additional Historical Prospects Summary

Prospect	Comment
Fishers and Golden Bar Reef	1860's. Small shallow open pit with recorded production of 1,400 tonnes @ 6.1 g/t Au for 274 ounces
Hampshire Reef	1865-1883. 414 tonnes @ 8.6 g/t Au mined for 116 ounces within a shallow open cut
Frying Pan Reef	1865-1867. 114 tonnes @ 15 g/t Au for 56 ounces down to 43 metres depth accessed via a series of shafts
Cambrian Reef	1860's. 31 tonnes @ 30 g/t Au for 30 ounces
Liverpool Reef	1864-1865. 29 tonnes @ 22 g/t Au for 22 ounces with rock chip sample recorded of 94 g/t Au at surface
Quarry Hill Reef	1892. 18 tonnes @ 6.6 g/t Au for 4 ounces via small open cut
Beehive Reef	1890's. 4 tonnes @ 14 g/t/ Au for 2 ounces by small open cut
Dreadnought	Recorded as a historical working
Mount View/Victoria	Near to the Surprise reefs, potentially granite related

AVOCA PROSPECTS DRILLING

Diamond drilling has been conducted at the Bung Bong, Surprise and Monte Cristo prospects. The Bung Bong and Monte Cristo drilling was performed by eDrill of Tasmania using a Sandvik DE710 rig in 2018. Only gold was assayed from the two prospects. The Surprise prospect drilling was completed by Flitegold Pty Ltd.

Surprise

Flitegold drilled the Surprise primary mineralisation in 1999. A combination of reverse circulation (RC) and aircore (AC) drilling methods were used.

Seven holes were completed for a total of 348m. Three holes returned anomalous results as reported by Flitegold. These are summarised in the table below.

Hole ID	Width	Au ppm	Depth (m)	Geology
SPAC02	2	3.21	17	Central Vein
SPAC04	2	3.27	18	Central Vein
SPAC06	5	1.40	26	East Vein

Bung Bong

Five diamond drilling holes totalling 296.4 m was completed at Bung Bong in April 2018. The hole spacing was 20 m along zones that span 80 m on an existing track on Crown land. Drilling was performed at an angle of 80 degrees to the east as it was inferred that it would cross veins identified in field mapping and in particular the east-dipping faults. The table below provides the details of the drilled holes.

Bung Bong Prospect – Drillhole Information

Hole ID	Easting	Northing	Total Depth	Dip	Azimuth	Start Date	End Date	Method
ABB001	724827.5	5890965.6	47.3	80	71	16/04/2018	18/04/2018	Diamond (HQ)
ABB002	724849.9	5890959.4	50.4	80	75	19/04/2018	20/04/2018	Diamond (HQ)
ABB003	724869.4	5890957.5	65.5	80	60	21/04/2018	23/04/2018	Diamond (HQ)
ABB004	724887.1	5890952.9	61.2	80	101	23/04/2018	25/04/2018	Diamond (HQ)
ABB005	724908.6	5890951.2	72.0	70	101	26/04/2018	30/04/2018	Diamond (HQ)

Drilling intersected numerous east-dipping faults with substantial quartz veining, however very little gold was found within the quartz vein structures. The highest concentration was found in drill hole ABB001 with 0.95 m @ 2.20 g/t below the lowermost fault. Evidence of oxidation was present towards the east, with few samples being obtained from fresh rock, suggesting there is a depletion zone in the oxide zone. A total of 162 samples were taken for assay analysis, summarized in the table below.

Bung Bong Prospect – Drilling Results

		Location (MGA 94 Zone 54)						Intercept			
Hole ID	Core Size	Easting (m)	Northing (m)	RL (m)	Dip	Az	TD (m)	Form (m)	To (m)	Width (m)	Au (g/t)
A88001	HQ	724828	5890966	301	-80	71	47.34	32.85	33.80	0.95	2.20
A88002	HQ	724850	5890959	300	-80	75	50.4	NSI			
A88003	HQ	724869	5890958	299	-80	60	65.5	NSI			
A88004	HQ	724887	5890953	297	-80	101	61.2	NSI			
A88005	HQ	724909	5890951	296	-70	101	72	NSI			

Monte Cristo

Two holes were diamond drilled in May 2018 at the Monte Cristo Prospect by ECR Minerals. They totalled 205.7 metres targeting the central line of reef. They are approximately 150 m apart on different sections. The table below contains the details of the two diamond holes completed.

Monte Cristo Prospect – Drillhole Information

Hole ID	Easting	Northing	Total Depth	Dip	Azimuth	Start Date	End Date	Method
AMC001	721323.2	5890793.7	104.4	60	260	1/05/2018	13/05/2018	Diamond (HQ)
AMC002	721340.3	5890620.2	101.3	60	260	14/05/2018	18/05/2018	Diamond (HQ)

AMC001 drilled into east-dipping beds. Dolerite was intersected between 63.7 – 69.3 m, below which quartz-carbonate veining extended to 79.2 m. A second quartz zone was encountered for 5 m from a hole depth of 87.3 m. AMC002 also penetrated east dipping bedding, which lead onto a dolerite dyke. Less quartz was found in AMC002 than AMC001. A total of 71 samples were sent away for assay analysis, but gold results from both holes were poor.

Monte Cristo Prospect – Drilling Results

		Location (MGA 94 Zone 54)						Intercept			
Hole lD	**Core Size**	**Easting (m)**	**Northing (m)**	**RL (m)**	**Dip**	**Az**	**TD (m)**	**Form (m)**	**To (m)**	**Width (m)**	**Au (g/t)**
AMC001	**HQ**	**721323**	**5890794**	**263**	**-60**	**260**	**104.4**	**69.85**	**71.85**	**2.00**	**0.85**
								77.95	**78.40**	**0.45**	**1.82**
								87.30	**89.40**	**2.10**	**1.32**
							Incl	***87.30***	***88.30***	***1.00***	***2.58***
AMC002	**HQ**	**721340**	**5880620**	**266**	**-60**	**260**	**101.3**	**85.40**	**86.40**	**1.00**	**1.89**

Timor Prospects

The Timor project is located approximately 10km to the east of the Avoca project. Historical workings within the Timor project area contain numerous hard rock and alluvial gold deposits. Historical alluvial production within the Timor project is believed to have been ~640,000 ounces of gold.

Around 20 hard rock workings can be considered to have been significant producers in the Timor project area. The Leviathan group of mines recorded 56,474 ounces of gold from 189,085 tonnes, resulting in a recovered grade of approximately 9.14 g/t gold. The Leviathan structural corridor hosts a number of parallel quartz veins with most of the production coming from one mined in the early 1900s.

Between 1882 – 1891 Shaw's Reef produced 12,623 ounces of gold from 16,881 tonnes mined at an average recovered grade of 22.9 g/t gold.

Both these former mines are situated on separate large regional north-south structures known to occur for tens of kilometres. A number of hard rock workings have occurred over their length, however neither have had significant drilling within the tenement. One traverse of RC drilling was carried out across the Leviathan structure as well as one diamond drill hole. No drilling has occurred in the area of Shaw's Reef fault zone.

The production records do not represent historical resource estimates, but rather actual gold production recorded within the government reporting system at the time. More recently prior to FSX acquiring the license, Mercator Gold Australia Pty Ltd held the license and completed surface sampling and drilling. Modern exploration work completed over the Timor prospect by operators prior to Mercator were limited in scope.

The Maryborough goldfield within the licence area has produced over 640,000 ounces of gold from hard-rock and alluvial sources, with 220,000 ounces mined from hard-rock operations at an average grade of 14g/t gold. Two major fault zones have been identified, namely the Shaw-McFarlane Fault Zone ("**SMFZ**") and the Leviathan-Mariners Fault Zone ("**LMFZ**"), which are responsible for the majority of the hard-rock gold production.

The SMFZ has been shown to have consistently produced high grade gold mines along its length with Shaw's Reef, McFarlane's Reef and Havelock Monte Cristo having recorded production at average grades ranging from 22g/t gold to 217 g/t gold with certain operations having been impacted by metallurgical challenges.

The LMFZ hosts a large number of variably sized reefs that occur within the fault zone. These reefs are associated with diorite dykes and generally offer larger gold targets, albeit at lower grade compared to the SMFZ and historical mining records demonstrate that mining activities were often to relatively shallow depths.

The initial historical prospect targets within the project that have been highlighted as priority for future exploration programs include the New Leviathan, Old Leviathan, Great Leviathan, Shaw's Reef, Brilliant Reef and the Northumbria Reef.

Information available on the targets within the Timor area is generally not as well defined as is the case with the targets located within the Avoca area.

New Leviathan, Old Leviathan and Great Leviathan

The New Leviathan, Old Leviathan and Great Leviathan prospects are located within the Leviathan-Mariners fault zone. Gold mineralisation within these prospects is interpreted to be structurally controlled and focussed within quartz veins developed along north south trending faults, linking cross faults have also been interpreted.

Recorded historical production for the Leviathan Group of prospects as stated in the Geoscience Victoria government records is 181,000 tonnes @ 11.4 ppm Au for 67,511 ounces.

Shaw's Reef

Shaw's Reef is located approximately 10km to the northeast of the Maryborough township. Rock chip sampling returned high grade gold assays up to 22.6 g/t Au according to publicized reports.

Northumbria and Brilliant Reefs

The Northumbria and Brilliant Reefs were mined in the mid to late 1800's. Field reconnaissance shows shallow open pit dug on the vein structures over a length of at least 500m with the structural corridor being up to 80m wide. 13 Grab samples were taken by ECR Minerals that showed low grade gold mineralisation at surface.

TIMOR PROSPECTS DRILLING

No Drilling has been completed using modern drilling techniques on any of the Timor prospects.

Geological Setting, Mineralization and Deposit Types

Regional Geology

Central Victorian geology is located within the Lachlan Fold Belt. This is a granitic/volcanic belt that extends in one form or another along the eastern seaboard of the Australian continent. The Avoca project is found within a stratigraphic belt known as the Stawell Zone and the Timor project is located on the western boundary of the Bendigo Zone. The geology becomes progressively older from the Siluro-Devonian rocks of the Melbourne Zone in the east, through to the Ordovician rocks of the Ballarat-Bendigo Zone to the Cambrian rocks of the Stawell zone. The boundary between the Stawell Zone and the Ballarat-Bendigo zone is the north-south striking Avoca Fault. It is located immediately east of Avoca. The sinuous Mt William Fault separates the Ballarat-Bendigo and Melbourne Zones, passing through the town of Heathcote.

These crustal faults separating the different geographical zones of the Lachlan Fold Belt generally consist of turbidites and granite intrusives. Both the Stawell and Ballarat-Bendigo Zones consist of flysch of slates and indurated sandstones that have experienced regional upper greenschist facies metamorphism. The slates behave in a more ductile manner than the brittle behaving sandstones. This causes quartz veins to be restricted to a lode style within the slates and to create quartz stockworks or ladder veins within the sandstones. Silicate alteration is proximal to the quartz veins, in the form of biotite-muscovite-chlorite-calcite. Sulphide vein assemblages are pyrite-

arsenopyrite-pyrrhotite. Some contemporaneous base metal sulphide mineralisation such as chalcopyrite, galena and sphalerite may occur in direction association with these quartz veins.

Project Geology

The Avoca project is located within the north-northwest Stawell Zone and the Timor project on far western margin of the Bendigo zone of the Lachlan Fold Belt. The western boundary is considered to be the Moyston Fault, with the Avoca Fault defining the eastern boundary. The St. Arnaud Group dominates the Stawell Zone, which consists of quartz-rich marine Cambrian turbidites. The north and south extensions of the Stawell Zone disappear under younger cover sequences.

Various fault located in the area are related with gold mineralisation. The Avoca Fault truncates the Cambrian Stawell Zone and marks the beginning of the Ordovician Ballarat-Bendigo Zone. Gold mineralisation either side of the Avoca Fault is the same, supporting broader control on mineralisation.

Mesothermal mineralisation is present at Avoca, forming at temperatures between 300 - 350°C. Deformation is in the brittle-ductile range, leading to structurally controlled vein hosted style of mineralisation. The amount of quartz veins influences gold grade such that mineralisation is not likely to be present within the host rock.

Episodes of regional metamorphism to greenschist facies, faulting and folding followed deposition and the St Arnaud Group form the host into which Lower to Middle Devonian granites and dykes were intruded. It was also the bedrock for the Tertiary and Quarternary sediments.

Within the St Arnaud Group, three formations are recognised from west to east known as the Warrak, Pyrenees and Beaufort Formations. The latter two formations dominate the Avoca Formation.

Deposit Types

Avoca

Mineralisation in the Avoca goldfields is strongly associated with base metal sulphides such as galena, sphalerite and pyrrhotite and pyrite. Primary gold mineralisation formed during the Benambran Orogeny (450 – 430 Ma), with possible minor mineralisation during the reactivation of faults due to the Tabberabberran deformation (400 – 390 Ma). Quartz veins developed in brittle ductile reverse faults tend to be where mineralisation is focussed. The strongly auriferous deposits tend to be sulphide rich. Timing of these latter deposits is constrained by the age of the granites, with auriferous quartz veins show evidence of re-crystallisation from contact metamorphism.

Erosion of the primary deposits generated secondary alluvial gold deposits through the Stawell Zone. The auriferous alluvial deposits progress down various valleys, burial becoming generally deeper. These networks of buried auriferous river bed deposits are locally known as “deep leads”. Some terrace gravel deposits reflect earlier erosional regimes and are perched laterally in the valleys and plains.

Timor

The Leviathan structural corridor hosts a number of parallel quartz veins. This is where the majority of previous workings are located. Significant potential occurs within the various other veins and faults within this corridor to the north. In the area of Shaw’s Reef, a fault zone containing arsenopyrite and stibnite mineralisation occurs. This has previously been recorded in association with the gold mineralisation indicating possible epizonal Fosterville style gold mineralisation. Both Shaw’s Reef and the Leviathan structures are the main two mineralised structures within the tenement.

Exploration

During 2020 a series soil sampling programs were completed over the Timor project by FSX. The samples were focussed on testing for soil anomalies over the Brilliant Reef, Caledonian and Leviathan Group historical mining areas.

A total of 500 soil samples were taken from the B-Horizon with whole samples and analysed using industry standard soil sampling techniques with a hand-held XRF unit. The sampling programs covered approximately 5km^2, or just under 5% of the total license area of the Timor project. Samples were analysed for Cu, As, Pb and Zn. The results showed anomalous values in all four elements, particularly in the area of the Brilliant and Caledonian reefs. The qualified person for the project is of the opinion the sampling and assaying method represented an acceptable approach for a first pass soil survey. Future work should include expansion of the sampling and submission of samples to an accredited laboratory for gold and multi-element analysis.

There are numerous (>30) historical gold workings within the Avoca project area. These targets require additional surface sampling and drill testing to assess their potential. All of the current targets however have some form of surface footprint and many of them also have historical production records from the mid to late 1800's.

Mining One have reviewed the data for a selection of these projects and have estimated Potential Estimates to guide exploration strategies for future drilling and sampling programs. All Potential Estimate tonnages are calculated using a 2.65 t/m3 insitu density value. The targets have only been estimated down to a maximum depth of 200m however as is evident in similar gold deposits in the Avoca region these deposits have potential to extend much greater depths (>500m). Average gold grades assigned range between 5 and 10 ppm Au to account for a potential diluted mined grade given that mineralisation is likely to be between 1 and 3m wide. Narrow zones less than 1m wide have historically reported greater than 20 ppm Au.

The quantity and grade of the Potential Estimates is conceptual in nature as there has been insufficient exploration completed to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. The parameters used to determine the quantity and grade of these Potential Targets for the Avoca and Timor projects respectively are summarised in the tables below.

Avoca Conceptual Exploration Target Assessment

Prospect	Strike Length (m)	Average Thickness (m)	Depth (m)	Au ppm Range	Approximate Target (kt)
Pyrenees	500-1000	2-3	100-200	5-10	300-1600
Bung Bong	50-100	2-3	100-200	5-10	30-160
Excelsior	50-100	2-3	100-200	5-10	30-160
Surprise Co.	100-200	2-3	100-200	5-10	50-320
Working Miners	200-500	2-3	100-200	5-10	110-800
Monte Cristo	200-500	2-3	100-200	5-10	100-800

Timor Conceptual Exploration Target Assessment

Prospect	Strike Length (m)	Average Thickness (m)	Depth (m)	Au ppm Range	Approximate Target (kt)
Old Leviathan	100-200	1-2	100-200	5-10	30-210
New Leviathan	800-1200	2-3	100-200	5-10	420-1900
Great Leviathan	100-200	1-2	100-200	5-10	30-200
Shaw's	200-400	1-2	100-200	5-10	50-420
Brilliant & Northumbria	300-500	1-2	100-200	5-10	80-530

Drilling

No drilling has been completed by Leviathan or Fosterville South Exploration on either the Avoca or Timor projects.

Sampling, Analysis And Data Verification

Sampling and Analysis Procedures

Soil samples were taken from the B-Horizon using a shovel where approximately 200g of soil was place in a calico bag that was individually numbered. HQ drill core was sampled via the half core method where sampling intervals were selected, marked up and cut in half with a diamond saw.

The soil samples were assayed at the Onsite Assay Laboratory located in Bendigo with check assays completed at the ALS laboratory located in Brisbane.

The check samples were posted in secured packages via Australia Post to ALS Brisbane, where the sample was dried and sieved to -80# (-180um). This fine fraction then underwent an aqua regia digest (Au-METL43) followed by an ICP-MS determination for a suite of elements including gold. The ALS laboratory is certified and suitable to complete this type of assay analysis.

AuME-TL43 is an aqua regia digest of a 25g sample followed by an ICP-MS (Inductive coupled plasma - Mass spectrometer) analysis suitable for low level detection at 1ppb Au and various other low levels of detection for a further 50 elements.

Contract geologists delivered the samples to the secure sampling collection area where they were collated and packaged with standards and blanks where appropriate. The yard is secure.

The sampling handling, preparation and analyses was conducted by company geologists for the soil and rock chip sampling are of an adequate standard.

The 2020 soil samples taken over the Timor projects were analysed for As, Cu, Pb and Zn using a hand-held XRF unit. Soil samples from programs prior to 2020 were sent to the Onsite Assay laboratory in Bendigo. Soil samples taken prior to 2020 were sent to the Onsite Assay Laboratory located in Bendigo, Victoria and placed in a 110° C oven for 12 hours or until a constant weight was achieved. The dried samples were then crushed in a jaw crusher to 2cm and then a rock crusher to reduce particle size to 3mm. The crushed samples were then pulverised to 75 micron where a 50g sample was then split off subjected to fire assay with Atomic Absorption spectrum finish to determine gold values. The assay laboratory is independent of each of SpinCo and FSX, and accredited with ISO9001.

The author of the Timor and Avoca Technical Report believes that geochemical work conducted used adequate sample handling and laboratory preparation and that the selection of the analytical techniques were appropriate for the task of discovering further mineralisation. No abnormal or erroneous sets of data were identified within the review.

Data Verification

The qualified person for the Avoca and Timor Report visited both the Avoca and Timor sites with Neil Motton on June 30, 2020. Multiple historical workings were inspected including Pyrenees, Excelsior, Vales and Bung Bong in the Avoca project area and the Leviathan group of historical workings within the Timor project area.

The site visit provided verification of the location of key prospects within each project area where evidence of historical mining activity was seen via shallow open pit workings, shaft collars and trenches. The location of the prospects visited were confirmed spatially in relation to the exploration license boundaries for both EL 5387 and EL 6278.

Historical soil sampling, rock chip sampling and drill sampling has been supported by the insertion of standards, blanks and duplicates. Check assays by independent laboratories has also been completed for a selection of the programs.

Assay standards, duplicates and blanks were completed by Onsite Assay Laboratories for the soil and rock sampling and were included in each sample batch. Various blanks, commercial standards and pulp repeats were used for quality assurance and control with fully accredited ALS laboratories used to perform the independent assay checks. About 20% of samples assayed were control samples for the soil sampling.

The drilling data was usually presented as scans of sections, maps, assay sheets & geological logs. The records obtained from the government information suppository were also independently verified by reviewing a selection of annual reports from various previous owners of the licenses.

Original assay laboratory certificates were also viewed.

The results of the BLEG versus Aqua Regia assay method showed consistently higher gold grades as is to be expected in relation to the longer digestion time. The check assaying between the onsite laboratory and ALS typically showed acceptable correlation. The standards used also were indicated to fall within an acceptable +/-2 standard deviation range for the majority of samples submitted. Blanks were also submitted for a selection of projects where the highest assay result was 0.16 ppm Au. Results were generally below 0.1 ppm Au however. If consistent values greater than 0.1 ppm Au are returned then either the blank material is mineralised or there is contamination in during the assay process. After reviewing the results of the QA/QC assays, the qualified person believes there is no reason to assess that any significant inconsistencies occur within the assay datasets. Because a selection of the original assay certificates were inspected, the results of the QAQC sampling reviewed and the location of the prospect areas viewed the opinion is that this data is adequate to be used as the basis for the technical analysis used in the Timor and Avoca Technical Report.

Although further work is required, Mining One is of the opinion that the historical drilling, open pit and underground workings do exist in the spatial location as shown on the historical plans.

Mineral Processing and Metallurgical Testing

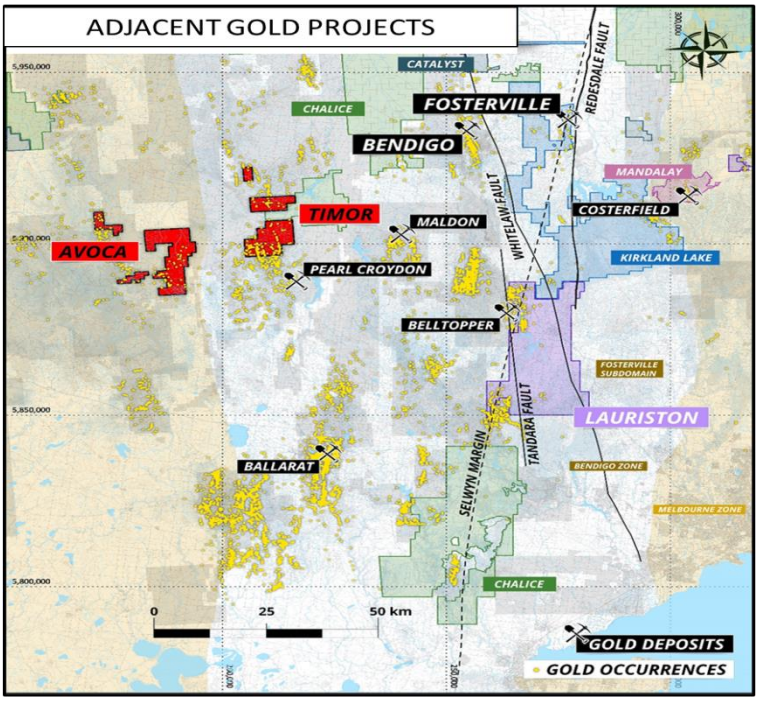
Apart from some basic test work on tailings material, no specific bulk samples or metallurgical test work has been completed to establish potential processing parameters or metallurgical performance of primary mineralised material within either project area.

Mineral Resource Estimates

No Mineral Resources are reported for any of the Avoca or Timor prospects.

Adjacent Gold Projects

The Avoca and Timor projects are located within an area of Victoria that features large scale gold deposits such as those at Ballarat and Castlemaine. More recently, major discoveries have also been made at the Fosterville gold mine currently operated by Kirkland Lake Gold. Hundreds of smaller historical gold mines have been identified within a 50 km radius of the project areas. The adjacent gold projects are shown below. The information relating to these projects has been disclosed by other operators, and has not been independently verified by the author of the Timor and Avoca Technical Report, or by FSX or incoming SpinCo personnel. Such information is not necessarily indicative of mineralisation on the SpinCo Project.



Exploration and Development Activities

There are numerous (>30) historical gold workings within the Avoca project area. These targets require additional surface sampling and drill testing to assess their potential. All of the current targets however have some form of surface footprint and many of them also have historical production records from the mid to late 1800's.

Mining One and management have reviewed the data for a selection of these projects and have estimated conceptual exploration targets to guide exploration strategies for future drilling and sampling programs. All conceptual target tonnages are calculated using a 2.65 t/m^3 insitu density value. The targets have been estimated down to a maximum depth of 200m however as is evident in similar gold deposits in the Avoca region these deposits have potential to extend much greater depths (>500m). Average gold grades assigned range between 5 and 10 ppm Au to account for a potential diluted mined grade given that mineralisation is likely to be between 1 and 3m wide. Narrow zones less than 1m wide have historically reported greater than 20 ppm Au.

The exploration work programs including field inspections completed over both project areas has confirmed that significant historical mining activities both of alluvial and primary hard rock gold mineralisation has occurred since the 1860's. Surface rock sampling have returned anomalous gold results, together with soil sampling programs that have defined anomalous gold and other metal results. The historical drilling completed at prospects such as Bung Bong and Monte Christo have confirmed generally low grade gold results within interpreted structural features that are known to host gold mineralisation.

The work completed so far has provided information to guide future surface sampling and drilling exploration programs. Typically, gold mineralisation in the styles of deposits that are known to exist in both the Avoca and Timor projects is focused along key structural features and also where cross cutting structural features occur. Higher grade zones of gold mineralisation are commonly represented by steeply plunging shoots that are controlled by these structural features. This leads to discrete high grade lenses or shoots of mineralisation that may not intersect within the surface topography leading to "blind" deposits.

Future exploration is recommended to focus on attaining a better understanding of the structural controls of the mineralisation at each of the prospect so the future drilling can be better targeted at potential focus points of gold mineralisation within the overall structural trends.

Although there is considerable evidence that gold has been mined historically within both project areas the risks associated with future exploration include that drilling and sampling programs may not define economic gold deposits.

There is a large amount of important information available from the Geological Survey of Victoria and the former Mines Department, mostly as scanned copies of reports and maps from the late 1800s and early 1900s. The collation of these records should continue to enhance technical justification for future soil sampling and drilling programs over the prospects. It is important to collate this information into a usable format, particularly in 3D space with reference to underground workings and previous gold ore production.

Soil sampling programs are recommended over areas of both the Avoca and Timor projects that currently do not have sufficient sampling coverage. Soils should be assayed via multi-element analysis with particular emphasis on As assays. Arsenic is often a strong vector to gold mineralisation within the Victorian gold systems.

Drilling within the Avoca project is recommended to be initially prioritised at the Pyrenees and Monte Cristo prospects given the historical production and surface expression of the workings in addition to the anomalous drilling results returned in the case of the Monte Cristo prospect.

Gold mineralisation at the Pyrenees prospect is likely associated with deposition of gold bearing fluids within structural features, with the source of fluids potentially derived from a granitic source intrusion.

Drilling within the Timor project area is recommended to initially be focussed on Leviathan group of the historical mines, these prospects have the largest historical workings footprints and therefore represent one of the higher targets.

Drilling targets will likely be revised as further work is completed in relation to literature research, soils sampling programs and surface mapping.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Following completion of the Arrangement, the Finco Financing, and the Amalgamation but prior to giving effect to the transaction contemplated by the Purchase Agreement or the payment of agent's fees in connection with the Finco Financing, SpinCo is anticipated to have cash in the amount of $5 million less commissions payable in connection with the Finco Financing.

The Avoca and Timor projects drilling and geochemistry budget for 2 years of approximately AUD$4.3 million is tabulated below, which is further broken down below into the various cost centres.

AVOCA AND TIMOR PROPOSED EXPLORATION BUDGET SUMMARY

Licence	Year 1	Year 2	Total
Avoca and Timor Projects	$2,431,852	$1,827,816	$4,304,668

These costs are based on actual local costs in Victoria, Australia. The proposed exploration phases are dependent on results of previous programs and therefore can be modified to ensure drilling and sampling programs are optimally designed. If the drilling and sampling work proposed in the Year 1 budget return significant gold intersections then this will provide targets for follow-up drilling that will form the basis of the Year 2 budget. If the results from the Year 1 exploration programs are not sufficient to justify follow-up drilling then new targets will be tested as part of the Year 2 budget.

AVOCA AND TIMOR PROPOSED EXPLORATION BUDGET 0 -12 MONTHS

Item	Section	Subtotal Cost
1	Contractor – Geochemistry: Stream Sediment	$6,000
2	Contractor/Staff – Land Access	$10,000
2.1	Contractor/Staff – Environment and Community	$ 7,000
3	Contractor – Gridding/Mapping/Recon	$ -

Item	Section	Subtotal Cost
4	Contractor – Geochemistry sampling	$40,600
4.1	Contractor – Geochemistry assaying	$40,600
4.2	Contractor – GIS/Database management	$ 72,000
5	Contractor – IP geophysics	$ 67,200
6	Contractor – Aircore/RAB drilling	$208,800
7	Contractor – RC drilling	$ 539,734
8	Contractor – Diamond drilling	$988,800
8.1	Contractor – Collar Survey	$20,800
8.2	Consultants, structural, petrographic, technical	$100,000
9	Staff – Planning and interpretation	$230,000
10	Logistics & Admin	
10.1	Hire – Office space	$12,000
10.2	Purchase – Light vehicle	$50,000
10.3	Supplies – Geological and Geochemical equipment and consumables	$10,320
10.4	Supplies – Office equipment and consumables (including freight)	$14,000
10.5	Supplies – PPE, Clothing and Miscellaneous	$ 8,000
10.6	Fees – Tenements – application and maintenance (AMETS)	$12,000
	TOTAL	**$ 2,431,852**

AVOCA AND TIMOR PROPOSED EXPLORATION BUDGET 12 -24 MONTHS

Order	Section	Subtotal Cost
1	Contractor – Geochemistry	$ 20,000
2	Contractor/Staff – Land Access	$ -
2.1	Contractor/Staff – Environment and Community	$7,500
3	Contractor – Gridding/Mapping/Recon	$ -
4	Contractor – Geochemistry sampling	$ 1,000
4.1	Contractor – Geochemistry assaying	$ 1,000
4.2	Contractor – GIS/Database management	$ 72,000
5	Contractor – IP geophysics	$29,626
6	Contractor – Aircore/RAB drilling	$ -
7	Contractor – RC drilling	$294,400
8	Contractor – Diamond drilling	$1,155,466
8.1	Contractor – Downhole and collar survey	$11,100
9	Staff – Planning and interpretation	$230,000
10	Logistics & Admin	
10.1	Hire – Office space	$12,000
10.2	Purchase – Light vehicle	$ -
10.3	Supplies – Geological and Geochemical equipment and consumables	$5,226
10.4	Supplies – Office equipment and consumables (including freight)	$14,000
10.5	Supplies – PPE, Clothing and Miscellaneous	$8,000
10.6	Fees – Tenements – application and maintenance (AMETS)	$12,000
	TOTAL	**$1,827,816**

Due to the nature of mineral exploration activities, budgets are regularly reviewed in light of the success of the expenditures and other opportunities which may become available to SpinCo. Accordingly, while SpinCo anticipates

that it will spend the funds available to it as stated in this Schedule H, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

BUSINESS OBJECTIVES AND MILESTONES

SpinCo's current business objective and sole current milestone is to complete exploration and drilling programs on the SpinCo Project**s**, as described herein.

SpinCo's unallocated funds will be added to the working capital of SpinCo and may be used for potential property acquisitions and, provided that the results of the current work programs are sufficiently positive, to fund additional work on its properties.

Although SpinCo intends to expend the funds available to it as set out above, the amount actually expended for the purposes described above could vary significantly depending on, among other things, the price of gold, unforeseen events, and SpinCo's future operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to the Corporation. Accordingly, if continuing with the exploration program becomes inadvisable for any reason, the Corporation may alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Corporation, although the Corporation has no present plans in this respect.

DIVIDENDS

The Corporation has never declared, nor paid, any dividends since its incorporation and does not foresee paying any dividends in the near future since all available funds will be used to conduct exploration activities. Any future payment of dividends will depend on the financing requirements and financial condition of the Corporation and other factors which the Board, in its sole discretion, may consider appropriate and in the best interests of the Corporation. Under the BCBCA, the Corporation is prohibited from declaring or paying dividends if there are reasonable grounds for believing that the Corporation is insolvent or the payment of dividends would render the Corporation insolvent.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis for the SpinCo Projects for the period from their acquisition on April 19, 2020 to June 30, 2020 was prepared as of October 9, 2020 and should be read in conjunction with the audited carve-out financial statements of the SpinCo Projects for the corresponding period. The financial statements have been prepared in accordance with IFRS and dollar amounts used herein are expressed in Canadian dollars unless otherwise stated. The financial statements have been presented under the historical cost basis of accounting except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the carve-out financial statements. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure. This discussion offers management's analysis of the financial and operating results of the SpinCo Projects and contains certain forward-looking statements relating, but not limited, to operational information, and future exploration and development plans. Forward-looking information typically contains statements with words such as "anticipate", "estimate", "expect", "potential", "could", or similar words suggesting future outcomes. Readers and prospective investors in SpinCo are cautioned not to place undue reliance on forward-looking information as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by SpinCo. See "*Forward Looking Information*", and for additional information relating to the risks and uncertainties facing SpinCo and that could affect the performance of its business and results of operations, see "*Risk Factors*".

The audited carve-out financial statements for the SpinCo Projects have been prepared for the specific purpose of inclusion in this Circular. They reflect the financial position, statement of loss and comprehensive loss, cash flows and changes in equity related to the SpinCo Projects, which are intended to be transferred to SpinCo Sub by FSX

under the Arrangement and the transactions contemplated by the Purchase Agreement. As neither FSX nor SpinCo have historically prepared financial statements for the SpinCo Projects and the SpinCo Projects are not legal entities, the carve-out financial statements have been prepared from FSX's historical financial records on a carve-out basis with estimates used, when necessary, for certain allocations.

The carve-out statements of financial position reflect the assets and liabilities recorded by FSX and its subsidiary Currawong which have been assigned to the SpinCo Projects on the basis that they are specifically identifiable and attributable to the SpinCo Projects.

The carve-out statement of loss and comprehensive loss included a pro-rata allocation of FSX and its subsidiary Currawong's income and expenses incurred in the period presented based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets, compared to the expenditures incurred on all of FSX's exploration and evaluation assets, and based on specifically identifiable activities attributable to the SpinCo Projects. The SpinCo Projects recognized 50% of total exploration costs incurred on the Avoca and Timor projects as general and administrative expenditures for the period presented. The percentage was considered reasonable under the circumstances.

Income taxes have been calculated as if the SpinCo Projects had been a separate legal entity and had filed separate tax returns for the period presented.

The SpinCo Projects financial results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the SpinCo Projects been a separate entity. Further, the allocation of income and expense in the audited carve-out statements of loss and comprehensive loss does not necessarily reflect the nature and level of the SpinCo Projects' future income and operating expenses. FSX's investment in the SpinCo Projects, presented as equity in the carve-out financial statements, includes the accumulated total loss and comprehensive loss of the SpinCo Projects. The objective of this MD&A is to provide the reader with an analysis of the historical assets, liabilities, revenues and operating expenses of the SpinCo Projects for the above mentioned periods.

Management cautions readers of the carve-out financial statements for the SpinCo Projects that the allocation of expenses shown in the audited carve-out financial statements does not necessarily reflect an accurate presentation of share-based compensation costs, general and administrative expenses and investment income that the SpinCo Projects would have earned or incurred during the period or will incur in the future.

OVERVIEW

SpinCo was incorporated on June 24, 2020 and is currently a wholly-owned subsidiary of FSX. On October 1, 2020, FSX, SpinCo and Finco entered in to the Arrangement Agreement relating to the previously announced spin-out transaction of the SpinCo Shares to FSX Shareholders (announced June 23, 2020). Pursuant to the Arrangement Agreement, FSX will distribute SpinCo Shares to Shareholders on the basis of one SpinCo Share for every one FSX Share held.

Following completion of the Arrangement, Finco will undertake the Finco Financing to fund the exploration, advancement and development of the SpinCo Projects, SpinCo CanSub and Finco will amalgamate pursuant to the BCBCA (with the shareholders of Finco receiving one SpinCo common share for each Finco share held in connection with the amalgamation) and Leviathan Gold (Australia) Pty Ltd., a wholly-owned subsidiary of SpinCo, will acquire the granted exploration licenses for the SpinCo Projects located in the state of Victoria, Australia from a wholly-owned subsidiary of FSX, subject to completion of the Arrangement and certain other customary closing conditions.

The Arrangement is subject to government and regulatory approvals, approval by the TSXV, and approval by FSX Shareholders. In addition, the Court must grant final order approving the Arrangement, all conditions precedent to the Arrangement set forth in the Arrangement Agreement must be satisfied or waived by the appropriate party, and the articles of Arrangement in the form prescribed by the *BCBCA* must be filed with the Registrar.

The advancement of the SpinCo Projects located in the State of Victoria, Australia will be SpinCo's primary focus. Upon completion of the Arrangement and the Amalgamation, SpinCo is expected to have cash in an amount not less than $5 million less any commissions paid in connection with the Finco Financing available to fund further

exploration and the development of the SpinCo Projects. Future exploration and development are expected to be financed through additional equity sales or other financing methods deemed appropriate by management.

Outlook

SpinCo is a junior exploration company expected to be engaged in the exploration and development of the SpinCo Projects. Its future performance depends on, among other things, its ability to discover and develop ore reserves at commercially recoverable quantities, the prevailing market price of commodities it produces, its ability to secure required financing, and in the event ore reserves are found in economically recoverable quantities, its ability to secure operating and environmental permits to commence and maintain mining operations.

Assuming completion of the Arrangement, SpinCo is expected to have highly prospective gold-focused assets in the SpinCo Projects, underpinned by expected cash in an amount not less than $5 million less commissions payable in connection with the Finco Financing. SpinCo's primary objective will be to generate returns from these assets for shareholders and value for its other stakeholders. SpinCo may also consider additional opportunities to grow shareholder value through the acquisition of additional prospective mineral properties, or other strategic transactions.

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 SpinCo to predict the duration or magnitude of the adverse results of the outbreak and its effects on SpinCo's business or results of operations at this time.

As SpinCo has no source of revenue at this time, it will continue to require additional capital to fund future office and administrative expenditures and to advance the SpinCo Projects and complete project investigation activities.

EXPLORATION PROJECTS

Avoca Gold Project, Victoria, Australia

The Avoca property (EL5387) is currently 100% owned by FSX's subsidiary, Currawong. SpinCo is expected to acquire the property pursuant to the Arrangement and the transactions contemplated by the Purchase Agreement. Below is a summary of the project. For additional information see "*Timor and Avoca Properties*" in this Schedule H, and the Timor and Avoca Technical Report which is available under FSX's profile on the SEDAR website at www.sedar.com.

The Avoca project is centered on mesothermal quartz-vein-hosted gold and related placer-style "deep lead" gold mineralization. There is a considerable local history of mining both kinds of deposit. The term "deep lead" refers to buried auriferous river bed deposits. The Avoca goldfield produced approximately 750,000 ounces of gold largely from alluvial gold deposits. The Avoca project is located approximately 183 kilometres west northwest of the Victorian state capital Melbourne, with good road access. The Avoca project occurs within the Stawell zone, west of the Bendigo and Melbourne zones.

Having previously been mined with a significant amount of gold production from both alluvial and hard rock high-grade sources, SpinCo considers the Avoca project highly prospective for hard rock structurally controlled gold deposits. Several major fault zones have been recognized that strike for several kilometres. Gold mineralization within the Stawell zone is generally base metal sulphide related, which Fosterville South Exploration sees as an opportunity for disseminated or fine-grained gold mineralization.

The significant hard rock historic mines within the Avoca licence include the high grade include:

- Pyrenees reefs -- 16,199 tons mined for 16,602 ounces of gold to 130 metres at an average recovered grade of 32 g/t gold, worked from 1860 to 1912;

- Excelsior reef -- 13,200 tons mined for 9,260 ounces of gold to 100 metres at an average recovered grade of 22 g/t gold, worked from 1909 to 1915;

- Vale's reefs -- 1,444 tons mined for 1,388 ounces of gold to 52 metres at an average recovered grade of 29.4 g/t gold, worked from 1865 to 1883; and

- Monte Christo reefs -- 2,795 tons mined for 937 ounces of gold to 30 metres at an average recovered grade of 10.3 g/t gold, worked from 1872 to 1877.

The production noted above was obtained from State of Victoria Mining Surveyors and Registrar's quarterly reports from 1860 to 1891 and annual reports issued thereafter. All the production occurred within the Avoca licence.

Defined mineralization shoots are present at both the Pyrenees reef and Excelsior reef, as shown from the underground mine plans held for both deposits.

In terms of alluvial gold deposit potential, the Avoca sub-basin, located within the Avoca project, is also projected to contain one of the largest unmined deep lead alluvial gold deposits within Victoria.

Timor project

The Timor project (EL6278) occurs immediately east of the Avoca project and occurs within the Bendigo zone of the Lachlan fold belt. The Timor project area contains numerous hard rock and alluvial gold deposits evidenced by significant historical workings. Historical alluvial production within the Timor project area is believed to have been in the region of 640,000 ounces of gold. Around 20 hard rock workings can be considered to have been significant producers. These include the Leviathan group of mines, with recorded gold production of 56,474 ounces of gold from 189,085 tonnes, equating to a recovered grade of approximately 9.14 g/t gold. The Leviathan structural corridor hosts several parallel quartz veins with most of the production coming from one mine active in the early 1900s. Significant potential occurs within the various other veins and faults within the corridor to the north. In addition, Shaw's reef produced 16,881 tons mined for 12,623 ounces of gold to 130 metres at an average recovered grade of 22.9 g/t gold, worked from 1883 to 1891. Along strike of this fault zone arsenopyrite and stibnite mineralization is recorded in association with the gold mineralization indicating possible epizonal Fosterville-style gold mineralization.

Both these former mines lie on separate large regional north-south structures known to occur for tens of kilometres with several hard rock workings over their length. Neither of these two major structures have had significant drilling within the tenement. One traverse of RC drilling was carried out across the Leviathan structure as well as one diamond drill hole. No drilling has occurred specifically on the Shaw's reef fault zone. These two mineralized structures are expected to be SpinCo's primary focus within the project.

REVIEW OF FINANCIAL RESULTS

Below is a summary of the changes in the exploration and evaluation assets for the period from acquisition of the SpinCo Projects on April 19, 2020 to June 30, 2020:

	June 30, 2020
	$
Balance, beginning of period	-
Asset acquisition - licenses	347,232
Asset acquisition – Royalty buy-back	333,000
Foreign currency adjustment	21,331
Balance, end of period	701,563

During the period from acquisition on April 19, 2020 to June 30, 2020, the SpinCo Projects incurred exploration costs as follows:

Exploration Expenditures	**Avoca Project**	**Timor Project**	**Total**
Assay	$ 2,250	$ 210	$ 2,460
Database management	1,351	-	1,351

Exploration Expenditures	Avoca Project	Timor Project	Total
Geological consulting and field expenditures	2,040	10,982	13,022
Geophysics	1,562	31,316	32,878
Mapping	-	4,623	4,623
Permits and tenement management	2,385	-	2,385
	$ 9,588	$ 47,131	$ 56,719

The minimum exploration expenditures by license and by year to December 31, 2025 are summarized in the table below:

	2020 AUD$	2021 AUD$	2022 AUD$	2023 AUD$	2024 AUD$	2025 AUD$	Total AUD$
Maryborough:							
Timor	33,150	33,150	31,335	31,335	31,335	31,335	191,640
Avoca:							
Avoca **	46,800	46,800	-	-	-	-	93,600
Natte Yallock*	-	21,600	23,800	21,600	21,600	20,940	109,540
Total	$79,950	$101,550	$55,135	$52,935	$52,935	$52,275	$394,780

* Acquired through tenement application. SpinCo expects to be granted the licenses during the year ended December 31, 2020.

**SpinCo intends to file an application for a retention license, which upon approval would require annual exploration expenditures of approximately AUD$46,800.

RESULTS OF OPERATIONS

The audited carve-out financial statements of the SpinCo Projects reflect the financial condition of the SpinCo Projects for the period from acquisition of the SpinCo Projects by FSX on April 19, 2020 to June 30, 2020. As the SpinCo Projects were acquired on April 19, 2020, there is no financial information for any comparative period.

During the period from acquisition on April 19, 220 to June 30, 2020, the SpinCo Projects incurred a loss of $85,079. Significant expenditures included:

- Exploration expenditures of $56,719. During the period, the SpinCo Projects commenced exploration, including geophysics and mapping.
- General and administration expenditures of $28,360. FSX funded all general and administrative expenditures. The SpinCo Projects estimated and recognized 50% of total exploration costs incurred on the Avoca and Timor projects as general and administrative expenditures for the period presented.

During the period from acquisition on April 19, 2020 to June 30, 2020, the SpinCo Projects incurred a comprehensive loss for the period of $84,534. The SpinCo Projects recognized a gain on translation of foreign operations of $545.

DISCUSSION OF RESULTS

To date, operations on the SpinCo Projects have consisted of project acquisition, license maintenance, and early-stage project exploration. Significant items impacting the SpinCo Projects' net loss are primarily from the exploration activities and office and administrative expenses. Changing levels in exploration program and general and administrative costs fluctuate independently according to field activities at the SpinCo Projects or general corporate activities.

LIQUIDITY

As the SpinCo Projects to date have been engaged entirely in the development of exploration properties, the SpinCo Projects have not generated any operating revenues and have relied primarily on funding from FSX. Under the Arrangement and pursuant to the Amalgamation, and upon completion of the Finco Financing, the SpinCo Projects will be funded with cash in an amount not less than $5 million less commissions payable in connection with the Finco Financing. Management expects that these funds will be sufficient to support operations in the near term.

The continuing operations of the SpinCo Projects are dependent upon the completion of the Arrangement and the Amalgamation, SpinCo's ability to raise additional funds in the future (which it would consider raising via share issuances, debt facilities, joint venture arrangements, or a combination of these options), and SpinCo's ability to successfully complete the exploration and development of its mineral properties and commence profitable operations in the future.

As at June 30, 2020 the SpinCo Projects had accounts payable of $24,755, which was settled subsequently by FSX. The SpinCo Projects financial statements include a proposed promissory note payable of $701,563, payable to FSX, which will be funded by cash from the Finco Financing following the completion of the transaction.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the period ended June 30, 2020.

CONTRACTUAL OBLIGATIONS

As at June 30, 2020, the SpinCo Projects did not have any significant contractual obligations other than the SpinCo Assumed Obligations.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2020, the SpinCo Projects did not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Other than the Arrangement, the Amalgamation, and the transactions contemplated by the Purchase Agreement described herein, there are no other proposed transactions under consideration. See "*The Arrangement*".

CAPITAL RESOURCES

Other than the expenditures required to maintain the Timor and Avoca exploration licenses in good standing, the SpinCo Projects have no commitments for capital expenditures as at the date of this MD&A.

Operations at the SpinCo Projects have historically been funded by funding from FSX, which raises capital from the issuance of FSX Shares pursuant to private placements and it is expected that SpinCo will continue to seek equity capital financing to operate the SpinCo Project.

EVENTS AFTER THE REPORTING PERIOD

Except with respect to the Arrangement discussed above, as of the date of this MD&A, there are no reportable subsequent events.

RISK FACTORS

The SpinCo Projects face a variety of risk factors that could affect the performance of the SpinCo business and results of operations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Risks and uncertainties considered material in assessing the carve-out financial statements for the SpinCo Projects are described below. For a comprehensive discussion of additional risks applicable to SpinCo and the SpinCo Projects, and SpinCo's business and operations, see "*Risk Factors*".

Liquidity Concerns and Additional Future Financing Requirements.

The SpinCo Projects have relied upon equity subscriptions to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. SpinCo may require capital and operating expenditures in connection with the operation and development of the SpinCo Projects and for working capital purposes. There can be no assurance that SpinCo will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible SpinCo to obtain debt financing or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause SpinCo to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

No Revenues.

To date, the SpinCo Projects have not recorded any revenues from operations nor have the SpinCo Projects commenced commercial production. There can be no assurance that SpinCo will have sufficient capital resources to continue as a going concern, that significant losses will not occur in the near future or that the SpinCo Projects will be profitable in the future. SpinCo expects the SpinCo Projects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the SpinCo Projects will continue to require the commitment of substantial resources. There can be no assurance that the SpinCo Projects will continue as a going concern, generate any revenues or achieve profitability.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The accounting policies applied in preparation of the SpinCo Project financial statements are disclosed in the financial statements for the period from project acquisition on April 19, 2020 to June 30, 2020. There have been no changes to accounting policies during the period from project acquisition on April 19, 2020 to June 30, 2020.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Set forth below is a summary of certain selected historical carve out financial information and *pro forma* unaudited financial information after giving effect to the proposed Arrangement with respect to SpinCo for the periods indicated. The selected historical carve out financial information of SpinCo has been derived from the SpinCo Projects financial statements set out in Schedule J to this Circular. The selected *pro forma* unaudited financial information has been derived from the *pro forma* unaudited financial statements set out in Schedule K to this Circular. **The *pro forma* adjustments are based upon the assumptions described in the notes to the unaudited *pro forma* financial statements, including that the FSX Shareholders approve the FSX Arrangement Resolution at the Meeting and the Arrangement, and that the Finco Financing, the Amalgamation and the transactions contemplated by the Purchase Agreement are completed. The unaudited *pro forma* financial statements are for illustrative purposes only and are not necessarily indicative of what the actual results of operations or financial position of SpinCo would have been if all these events had in fact occurred on the dates or for the periods indicated, nor do they purport to project the results of operations or financial position of SpinCo for any future periods or as of any date.**

	SpinCo from Incorporation to June 30, 2020 (audited)	**SpinCo Projects from Acquisition to June 30, 2020 (audited)**	***Pro Forma* Period Ended June 30, 2020** (unaudited)
Total assets.....	1	701,563	4,430,000
Total liabilities.....	nil	726,318	nil

DESCRIPTION OF THE SECURITIES DISTRIBUTED

The following is a summary of the rights, privileges, restrictions and conditions which will be attached to the SpinCo Shares on the Effective Date.

Authorized Capital

The authorized capital of SpinCo consists of an unlimited amount of common shares, of which one SpinCo Share is issued and outstanding as at the date of this Circular.

The authorized capital of Finco consists of an unlimited amount of common shares, of which one common share is issued and outstanding as at the date of this circular.

Common Shares

The holders of SpinCo Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of SpinCo and each SpinCo Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of SpinCo. The holders of the SpinCo Shares, subject to the prior rights, if any, of any other class of shares of SpinCo, are entitled to receive such dividends in any financial year as the Board of Directors of SpinCo may by resolution determine. The Board of Directions of SpinCo may at any time declare and authorize the payment of such dividends exclusively to the registered holders of the SpinCo Shares without declaring any corresponding dividends to the registered holders of the preferred shares. In the event of the liquidation, dissolution or winding-up of SpinCo, whether voluntary or involuntary, the holders of the SpinCo Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of SpinCo, the remaining property and assets of SpinCo. The SpinCo Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of SpinCo, effective June 30, 2020, both before and after giving *pro forma* effect to the Arrangement. You should read this table in conjunction with the SpinCo Carve-out Financial Statements and the SpinCo Pro-forma Financial Statements included in Schedule J and Schedule K respectively, to this Circular.

Designation	Authorized	Outstanding as at June 30, 2020 prior to giving effect to the Arrangement	Outstanding as at June 30, 2020 after giving effect to the Arrangement and Amalgamation [(2)(3)(4)]
SpinCo Shares	Unlimited	1 [(1)]	89,027,728

Notes:

(1) SpinCo was incorporated on June 24, 2020, and issued one SpinCo Share to FSX on such date.

(2) Assumes completion of the Arrangement and the Amalgamation. Assumes 63,473,807 FSX Shares outstanding and a further 9,553,921 FSX shares issued pursuant to the exercise of certain outstanding FSX warrants and stock options prior to the Effective Date.

(3) Assumes, 10,000,000 common shares of Finco issued pursuant to the Finco Financing at $0.50 per share for gross proceeds of $5,000,000. Actual terms of the Finco Financing will be determined in the context of the market and the information provide above will change based on the actual terms of the Finco Financing.

(4) Assumes Management Share Issuances of 6,000,000 common shares of Finco fully completed.

FULLY DILUTED SHARE CAPITALIZATION

The following table sets forth the fully diluted share capital after giving effect to the Arrangement and Amalgamation.

	Number of SpinCo Shares	Percentage of SpinCo Shares
		(Diluted)
SpinCo Shares issued prior to Arrangement	1	–
Cancellation of SpinCo Share issued prior to Arrangement	(1)	–
SpinCo Shares issued pursuant to FSX shareholders pursuant to spin-out[(1)]	73,027,728	75%
SpinCo Shares issued pursuant to Finco shareholders pursuant to Amalgamation[(2)(3)]	16,000,000	16%
Subtotal	89,027,728	
SpinCo Shares reserved for issuance pursuant to SpinCo Option Plan[(4)]	8,902,773	9%
Fully Diluted Total	97,930,501	**100%**

Notes:

(1) Assumes completion of the Arrangement. Assumes 63,473,807 FSX Shares outstanding and a further 9,553,921 FSX shares issued pursuant to the exercise of certain outstanding FSX warrants and stock options prior to the Effective Date.

(2) Assumes, 10,000,000 common shares of Finco issued pursuant to the Finco Financing at $0.50 per share for gross proceeds of $5,000,000. Actual terms of the Finco Financing will be determined in the context of the market and the information provide above will change based on the actual terms of the Finco Financing.

(3) Assumes Management Share Issuances of 6,000,000 common shares of Finco fully completed.

(4) The number of SpinCo Shares reserved pursuant to the SpinCo Long Term Incentive Plan is to be a maximum of 10% of the number of SpinCo Shares issued and outstanding and issued pursuant to the Arrangement

OPTIONS TO PURCHASE SECURITIES

The SpinCo Board intends to adopt the SpinCo Option Plan, which is substantively similar to the FSX Option Plan. A copy of the SpinCo Option is set out in Schedule L to the Circular.

The purpose of the SpinCo Option Plan is to advance the interests of SpinCo by encouraging the directors, officers, employees, management company employees and consultants of SpinCo, and of its subsidiaries and affiliates, if any, to acquire SpinCo Shares, thereby increasing their proprietary interest in SpinCo, encouraging them to remain associated with SpinCo and furnishing them with additional incentive in their efforts on behalf of SpinCo in the conduct of its affairs. The SpinCo Option Plan provides that, subject to TSXV requirements, the aggregate number of securities reserved for issuance will be 10% of the number of SpinCo Shares issued and outstanding at the time such options are granted. The SpinCo Option Plan will be administered by the SpinCo Board, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the SpinCo Option Plan to such directors, officers, employees, management or consultants of SpinCo and its affiliates, if any, as the SpinCo Board may from time to time designate. The exercise price of option grants will be determined by the SpinCo Board, but after listing on TSXV, will be the closing market price of the Common Shares on the Exchange on the trading day prior to the date of the grant. The SpinCo Option Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued SpinCo Shares, if the individual is a director, officer, employee or consultant, or 1% of the issued SpinCo Shares, if the individual is engaged in providing investor relations services, in a twelve month basis, unless disinterested shareholder approval is obtained. All options granted under the SpinCo Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 30 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the SpinCo Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

No options to acquire SpinCo Shares have been granted to date. SpinCo's intends to issue options prior to the completion of the Amalgamation to the proposed directors and officers of SpinCo.

PRIOR SALES

Since inception on June 25, 2020, Finco has completed the following distributions of its securities:

Date of Sale	Type of Security	Price per Security	Number of Securities	Reasons for Issuance
June 25, 2020	Common share	$0.10	1	Organization of Finco

Since inception on June 24, 2020, SpinCo has completed the following distributions of its securities:

Date of Sale	Type of Security	Price per Security	Number of Securities	Reasons for Issuance
June 24, 2020	Common share	$0.50	1	Organization of SpinCo

TRADING PRICE AND VOLUME

The SpinCo Shares are not currently traded or quoted on a Canadian marketplace.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFERS

As of the date of the Circular, no securities of any class of securities of SpinCo are held in escrow or are anticipated to be held in escrow following the completion of the Arrangement.

The SpinCo Shares will be subject to the following restrictions on resale/transfer imposed by the Corporation as a condition to the distribution to the Shareholders pursuant to the Arrangement:

(m) 25% will be restricted for four months from the Effective Date;

(n) 25% will be restricted for eight months from the Effective Date;

(o) 25% will be restricted for twelve months from the Effective Date; and

(p) the final 25% will be restricted for sixteen months from the Effective Date.

The certificates or other evidence representing SpinCo shares will bear legends evidencing such contractual restriction, or be identified with restricted CUSIP numbers evidencing such restrictions, and instructions may be provided to the Corporation's transfer agent to enforce such restrictions on transfer. No such restrictions will apply to the SpinCo Shares to be received in connection with the Amalgamation by those subscribers holding Finco securities issued in connection with the Finco Financing.

PRINCIPAL SECURITYHOLDERS

All of the issued and outstanding SpinCo Shares are currently held by FSX. To the knowledge of SpinCo, as of the date of the Circular, there are no persons who will, immediately following the completion of the Arrangement, directly or indirectly, own or exercise control or direction over, securities carrying more than 10% of the voting rights attached to any class of voting securities of SpinCo.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Address and Occupation

The names, province or state of residence, positions with SpinCo and the principal occupations of the persons who will serve as directors and executive officers of SpinCo after giving effect to the Arrangement are set out below, together with their *pro forma* holdings of SpinCo Shares.

Name, Position, and Province or State and Country of Residence	Principal occupation (for last 5 years)	*Pro Forma* Holdings of SpinCo Shares[(1)]
Luke Norman, British Columbia, Canada *Executive Chairman and Chief Executive Officer*	President and Chief Executive Officer, Northern Lion Gold Corp., December 2017 to present; Director, Silver One Resources Inc. (formerly BRS Ventures Ltd.) (TSXV-SVE), since May 30, 2012 (President, CEO and CFO from May 2012 to August 2016); Co-founder and previous director of Stratton Resources Inc.; Co-founder Gold Standard Ventures Corp. (TSX; NYSE American); Mining consultant for over 10 years.	2,500,000 (2.8%)
Robert Schafer, Utah, United States *Director*	Certified Professional Geologist; Chief Executive of Eagle Resources Management LLC (minerals industry advisory services).	500,000 (less than 1%)
Krisztian Toth, Ontario, Canada *Director*	Corporate Securities and M&A Partner, Fasken Toronto.	250,000 (less than 1%)
Jonathan Richards, British Columbia, Canada *Chief Financial Officer* and Director	Chartered Professional Account working as Chief Financial Officer and Corporate secretary of various TSXV listed companies predominantly focused on exploration and mining. Recent roles include Fosterville South Exploration Ltd (TSXV : FSX, April 2020 to date), Turmalina Metals Corp (TSXV: TBX, February 1, 2019 to date), Meridian Mining Corp (TSXV: MNO, Feb 2014 to February 2018 and July 2018 to April 2020) and European Electric Metals Corp. (TSXV: EVX, December 2009 to date).	250,000 (less than 1%)
Russell Starr, Ontario, Canada *Director*	Senior Vice President, Auryn Resources Inc. (2014-June 2020); President BETR Life Pharma (July 2019 to February 2020); President and CEO Trillium Gold Mines Inc. (June 2020 to Present).	1,000,000 (1.1%)

Note:

(1) Based on the number of FSX Shares currently held and assuming 89,027,728 SpinCo Shares will be issued and outstanding, immediately following the Effective Time.

(2) Will be considered independent within the meaning of National Instrument 52-110 − *Audit Committees*.

Director and Officer Biographies

Luke Norman, Executive Chairman and Director

Luke Norman is a seasoned growth executive with 20 years of experience in the venture capital markets. He has raised in excess of $300M for both public and private companies predominantly in the resource sector. In recent years, Mr. Norman has operated a consultancy company to the metals and mining industry. He also co-founded Gold Standard Ventures Corp., a TSXV and NYSE Market listed gold exploration company and US Gold Corp., listed on the Nasdaq exchange. He is the President and CEO of Northern Lion Gold Corp., a TSXV-listed company focused on building a portfolio of projects within mining-friendly and infrastructure-rich areas of Europe, and the Chairman of Silver One Resources, a silver pre-development and exploration company listed on the TSXV. Mr. Norman

brings expertise in mineral exploration, finance, corporate governance, M&A and corporate leadership to his role as Executive Chairman.

Jonathan Richards, Chief Financial Officer and Proposed Director

Jonathan Richards has over a decade of resource-focused accounting and finance experience and has accumulated extensive experience with Toronto Stock Exchange and venture-listed companies, as well as numerous private companies throughout the world. His professional experience has included officer and director positions on the TSX and TSXV; experience in various debt and equity financings; implementation of ERP systems to manage mining operations; managing domestic and international tax planning strategies; and implementation of corporate governance and internal control policies.

Mr. Richards holds a bachelor's degree in management studies with first-class honours from the University of Waikato, New Zealand, started his career at KPMG in the audit and assurance division, and is a member of the Chartered Professional Accountants of British Columbia as well as Chartered Accountants of Australia and New Zealand. Mr. Richards is currently the CFO of Fosterville South Exploration Ltd, Turmalina Metals Corp. and European Electric Metals Corp.

Russell Starr, Proposed Director

Mr. Starr is an entrepreneur and financial professional, focused on private and public mining & exploration, corporate advisory, corporate development, and M&A with over 20 years of corporate finance, M&A, investment and business development experience.

Mr. Starr held senior positions and advisory roles with financial institutions including RBC Capital Markets, Scotia Capital, Orion Securities, Blackmont, Lawrence and Company, where he helped raise over $1 billion for junior and mid-tier companies. Mr. Starr is also a co-founder and part owner of Echelon Wealth Partners, a large Canadian investment dealer.

Mr. Starr has subsequently held executive positions at Cayden Resources and Auryn Resources, as well as board positions at Canada Nickel, Gold Terra and Cayden Resources (acquired by Agnico Eagle in 2014). As Senior Vice President and a director with Cayden Resources, Mr. Starr was integral in the marketing, financing, development and ultimate sale of Cayden for CAD$205 million to Agnico Eagle.

Mr. Starr holds a MBA from the Richard Ivey School of Business, a Master of Arts degree in Economics from the University of Victoria, and a Bachelor of Arts degree in Economics from Queens University.

Robert Schafer, Proposed Director

Mr. Schafer has nearly 40 years of experience in the mineral industry, working in the international sector with both major and junior mining companies. He is founder and Managing Director of Eagle Mines Management, a globally active private natural resources corporation. He has held executive and senior management positions with Hunter Dickinson Inc., Kinross Gold Corp., and BHP Minerals over the past 20 years. Throughout his career, Bob has worked internationally, with notable experience in the far east of Russia, Southern Africa, South America and Australia. Mr. Schafer's work has included the structuring and implementation of successful exploration strategies, project reviews and valuations leading to acquisitions, and the management of local and expatriate exploration teams operating in a wide variety of geologic environments. In addition, Bob is the Past-President of the PDAC and Past-President of the Canadian Institute of Mining and Metallurgy (CIM) in Canada. In addition, he is the 2020-21 President of the Society for Mining, Metallurgy and Exploration (SME) and a Past President of the Mining and Metallurgical Society of America and the Geological Society of Nevada in the USA.

Krisztian Toth, Proposed Director

Mr. Tóth, is an experienced mining and M&A lawyer and partner at the law firm of Fasken Martineau DuMoulin LLP, which is a leading international business law and litigation firm with eight offices with more than 700 lawyers across Canada and in the UK and South Africa. Fasken's Global Mining Group has been #1 ranked globally 11 times since 2005, including for the past five years in a row. Mr. Tóth began his career at Fasken in 2002, eventually becoming a partner of the firm in 2009. He currently focuses on mergers and acquisitions and corporate finance with

an emphasis on cross-border transactions, proxy contests and other contested matters, public and private financings, securities regulations and corporate governance. He has expertise in the national and international mining and oil and gas sectors in Europe, Africa, Latin America, Canada and the United States. Mr. Tóth has particular expertise in mining M&A and mining finance including royalty, streaming and joint venture transactions and acts for both Canadian and international companies involved in takeover bids, plans of arrangement, domestic and cross-border offerings (both public and private), corporate reorganizations, stock exchange listings, continuous disclosure obligations and other regulatory compliance issues. He has been recognized by the Canadian Legal Lexpert Directory for his mining experience and the IFLR1000 for his capital markets work. Mr. Tóth is also currently the Chairman of Pasofino Gold Limited (TSX-V:VEIN), which is developing gold projects in Canada and West Africa; and a director of Trillium Gold Mines Inc. (TSX-V:TGM), which is developing gold projects in Canada. Mr. Tóth received a BA (Honours) from Queens University and his Bachelor of Laws from Dalhousie University. He is also a member of the Law Society of Ontario.

Each of the proposed directors of SpinCo will hold office until the first annual meeting of the holders of SpinCo Shares or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with SpinCo's articles or by-laws.

Other Reporting Issuer Experience

The following table sets out the proposed directors of SpinCo that are directors of other reporting issuers or the equivalent.

Name of Director	**Name of Other Reporting Issuer(s)**	**Exchange**
Krisztian Toth	Pasofino Gold Limited	TSXV
	Trillium Gold Mines Inc.	TSXV
Luke Norman	Northern Lion Gold Corp.	TSXV
	Silver One Resources Inc.	TSXV
	Rockshield Capital Corp.	Canadian Securities Exchange
Robert Schafer	Amur Minerals Corporation	AIM
	Volcanic Gold Mines Inc.	TSXV
	Trillium Gold Mines Inc.	TSXV
	Electric Royalties Ltd.	TSXV
Russell Starr	Trillium Gold Mines Inc.	TSXV
	Canada Nickel Company Inc.	TSXV

Corporate Cease Trade Orders or Bankruptcies

Other than as described below, no proposed or current director or executive officer of SpinCo has, within the last ten years prior to the date of the Circular, been a director, chief executive officer or chief financial officer of any issuer (including SpinCo) that, (i) while the person was acting in the capacity as director, chief executive officer or chief financial officer, was the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days; or (ii) was subject to an order that resulted, after the director, executive officer or securityholder holding a sufficient number of securities of SpinCo to affect materially the control of SpinCo ceased to be a director, chief executive officer or chief financial officer of an issuer, in the issuer being the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days, which resulted from an event that occurred while that person was acting as a director, chief executive officer or chief financial officer of the issuer.

No proposed or current director or executive officer of SpinCo has, within the last ten years prior to the date of this Circular, been a director or executive officer of any company (including SpinCo) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No proposed or current director or officer or securityholder holding a sufficient number of securities of SpinCo to affect materially the control of SpinCo has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

No proposed or current director or officer or securityholder holding a sufficient number of securities of SpinCo to affect materially the control of SpinCo has, within the last ten years prior to the date of this document, been a director or executive officer of any company (including SpinCo) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement for compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In addition, no proposed or current director or officer or securityholder holding a sufficient number of securities of SpinCo to affect materially the control of SpinCo has, within the last ten years prior to the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or securityholder.

Conflicts of Interest

There are no existing material conflicts of interest between SpinCo and any director or officer of SpinCo. Directors and officers of SpinCo may serve as directors and/or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, certain directors may have a conflict of interest in negotiating and conducting terms in respect of any transaction involving such companies. In the event that such conflict of interest arises at a meeting of the SpinCo Board, a director who has such a conflict is required to disclose such conflict and abstain from voting for or against the approval of such transaction.

The directors and officers of SpinCo will not be devoting all of their time to SpinCo. The directors and officers of SpinCo are directors and officers of other companies, some of which are in the same business as SpinCo. The directors and officers are required by law to act in the best interests of SpinCo. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to SpinCo may result in a breach of their obligations to the other companies, and in certain circumstances this could expose SpinCo to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of SpinCo. Such conflicting legal obligations may expose SpinCo to liability to others and impair its ability to achieve its business objectives.

EXECUTIVE COMPENSATION

As at the date of the Circular, there are no employment contracts in place between SpinCo and any of the executive officers of SpinCo and there are no provisions with SpinCo for compensation for the executive officers of SpinCo in the event of termination of employment or a change in responsibilities following a change of control of SpinCo. It is expected that SpinCo will enter into employment contracts with each of the executive officers of SpinCo on or before the Effective Date.

SpinCo has not established an annual retainer fee or attendance fee for directors. However, SpinCo expects to establish directors' fees in the future and will reimburse directors for all reasonable expenses incurred in order to attend meetings. It is anticipated that directors will be compensated for their time and effort by granting them options to acquire SpinCo Shares pursuant to the SpinCo Option Plan.

INCENTIVE PLANS

SpinCo and FSX, the sole shareholder of SpinCo prior to the Effective Date, have approved the SpinCo Option Plan which is in effectively the same form as the FSX Option Plan. The SpinCo Option Plan Resolution is being put to FSX Shareholders for approval provided that the FSX Arrangement Resolution is approved. The SpinCo Option Plan will not become effective unless the SpinCo Option Plan Resolution is approved and becomes effective, as described below.

FSX Shareholder approval is required by TSXV in connection with the SpinCo Option Plan. The full text of the SpinCo Option Plan Resolution is set out in Schedule L to this Circular. In order for the SpinCo Option Plan Resolution to become effective: (i) the SpinCo Option Plan Resolution must be approved by the affirmative vote of at least a simple majority of votes cast by the FSX Shareholders, voting together as a single class, who vote in person or by proxy at the Meeting and (ii) the Arrangement must become effective.

A summary of the SpinCo Option Plan is set out below.

SpinCo Option Plan

The purpose of the SpinCo Option Plan is to advance SpinCo's interests by encouraging the directors, officers, employees, management company employees and consultants of SpinCo, and its subsidiaries and affiliates, if any, to acquire SpinCo Shares, thereby increasing their proprietary interest in SpinCo, encouraging them to remain associated with SpinCo and furnishing them with additional incentive in their efforts on behalf of SpinCo in the conduct of its affairs. The SpinCo Option Plan provides that, subject to the requirements of the TSXV, the aggregate number of securities reserved for issuance will be 10% of the number of the SpinCo Shares issued and outstanding at the time such options are granted. The SpinCo Option Plan is administered by the SpinCo Board, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the SpinCo Option Plan to such directors, officers, employees, management or consultants of the Corporation and its affiliates, if any, as the SpinCo Board may from time to time designate. The exercise price of option grants will be determined by the SpinCo Board, but cannot be less than the closing market price of the SpinCo Shares on TSXV on the trading day prior to the grant date. The SpinCo Option Plan provides that the number of SpinCo Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued FSX Shares, if the individual is a director, officer, employee or consultant, or 1% of the issued FSX Shares, if the individual is engaged in providing investor relations services, in a twelve month basis, unless disinterested shareholder approval is obtained. All options granted under the FSX Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 30 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

SPONSORSHIP

SpinCo has applied to the TSXV for an exemption from the sponsorship requirement in connection with its application for listing of the SpinCo Shares on TSXV. There is no assurance that the exemption will be granted by the TSXV.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There exists no indebtedness of the directors or executive officers of SpinCo, or any of their associates, to SpinCo, nor is any indebtedness of any of such persons to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by SpinCo.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Following the completion of the Arrangement, it is anticipated that SpinCo will establish an Audit Committee whose composition will comply with the requirements of the BCBCA, applicable Canadian securities laws and TSXV policies. It is anticipated that the Audit Committee will adopt a charter substantially in the form of FSX's Audit

Committee charter attached hereto as Schedule I. The SpinCo Board may from time to time establish additional committees. The mandates of each such committee will be established following completion of the Arrangement and will be in compliance with applicable legal and regulatory requirements.

RISK FACTORS

An investment in SpinCo should be considered highly speculative due to the nature of its activities and the present stage of its development. SpinCo was incorporated for the sole purpose of participating in the Arrangement and has not carried on any business other than in connection with the Arrangement and related matters. Following completion of the Arrangement, SpinCo will carry on the business currently carried on by FSX with respect to the SpinCo Projects. Investors should carefully consider the following risk factors and the risk factors contained in the Circular. These risk factors are in addition to the risk factors disclosed elsewhere in this Circular, which apply to SpinCo as well.

SpinCo' operations involve exploration and development and there is no guarantee that any such activity will result in commercial production of mineral deposits.

SpinCo' operations involve exploration and development and the development of SpinCo' mineral properties is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. There is no assurance that commercial quantities of ore will be discovered on SpinCo' exploration properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, mineral prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, assuming discovery of a commercial ore body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the control of SpinCo.

Mineral prices are volatile.

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist or develop for the sale of same. There can be no assurance that mineral prices will be such that SpinCo' properties can be mined at a profit. Factors beyond the control of SpinCo may affect the marketability of any minerals discovered. Mineral prices are subject to volatile price changes due to a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

SpinCo Management and Key Personnel.

Recruiting and retaining qualified personnel is critical to SpinCo' success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. SpinCo believes that it will be successful in recruiting excellent personnel to meet its corporate objectives but, as SpinCo' business activity grows, it may require additional key financial, administrative and mining personnel. Although SpinCo believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success. In the event that SpinCo is unable to attract additional qualified personnel, its ability to grow its business or develop its existing properties could be materially impaired.

Maintaining Exploration Licenses.

SpinCo's prospecting activities will be dependent upon the grant and renewal of appropriate mineral tenures. Although SpinCo believes that it will obtain and renew the necessary prospecting licenses and permits, including but not limited to drill permits, there can be no assurance that they will be granted or as to the terms of any such grant.

Indigenous Land Claims.

Native title rights may be claimed on crown land or other types of tenure with respect to which mining rights have been conferred. In Australia, the *Native Title Act* 1993 (Australia) (the "**NTA**") provides that any acts that may affect native title rights, such as the grant of a mineral tenement, after December 23, 1996 must comply with certain requirements to be valid under the NTA. These requirements typically require either: the right to negotiate, an Indigenous land use agreement ("**ILUA**") or an expedited procedure to negotiate. As all of SpinCo's granted mineral tenements are within the external boundaries of native title claims, native title determinations and ILUAs, SpinCo will need to comply with these native title requirements. The failure to comply with these requirements could adversely affect SpinCo's mineral tenements and its exploration and mining activities thereon.

No Assurance of Title.

While FSX has taken and SpinCo will take all reasonable steps to attempt to ensure that proper title to the SpinCo Projects have been obtained and that all grants of such rights thereunder, if any, have been registered with the appropriate public offices, despite such due diligence, there is no guarantee that title to the SpinCo Projects will not be challenged or impugned. SpinCo's mineral tenements may be subject to prior unregistered agreements or transfers or indigenous land claims and title may be affected by undetected defects.

Possible Failure to Obtain Mining Licenses.

Even if SpinCo does complete the required exploration activities on the SpinCo Projects, it may not be able to obtain the necessary licences or permits to conduct mining operations, and thus would realize no benefit from such exploration activities.

SpinCo will be subject to government regulation.

SpinCo's mineral exploration business is, and any development activities will be, subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing SpinCo's operations or requiring corrective measures, any of which could result in SpinCo incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Infrastructure.

Exploration, development and ultimately mining and processing activities depend, to one degree or another, on the availability of adequate infrastructure. Reliable air service, roads, bridges, power sources and water supply are significant contributors in the determination of capital and operating costs. Inadequate infrastructure could significantly delay or prevent SpinCo exploring and developing its projects and could result in higher costs.

SpinCo may be subject to disputes.

SpinCo may be involved in disputes with other parties in the future, which may result in litigation or arbitration. The results of litigation or arbitration cannot be predicted with certainty. If SpinCo is unable to resolve these disputes favorably, it may have a material adverse impact on SpinCo. All industries, including the mining industry, are subject to legal claims that are with and without merit. Due to the inherent uncertainty of the litigation process and dealings with regulatory bodies, there is no assurance that any legal or regulatory proceeding will be resolved in a manner that will not have a material and adverse effect on SpinCo.

Corruption and bribery.

Our operations are governed by, and involve interactions with, many levels of government in foreign countries. We may not be able to complete some business transactions if we are subject to corruption or demands for bribes. Like most companies, we are required to comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act, as well as similar laws in the countries in which we conduct our

business. In recent years, there has been a general increase in both the severity of penalties and frequency of enforcement under such laws, resulting in greater punishment and scrutiny to companies convicted of violating anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also any third party agents. If we find ourselves subject to an enforcement action or are found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions being imposed on us resulting in a material adverse effect on SpinCo.

Reputational risk.

Damage to our reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although we believe that we operate in a manner that is respectful to all stakeholders and take care in protecting our image and reputation, we do not have control over how we are perceived by others. Any reputation loss could result in decreased investor confidence and increased challenges in developing and maintaining community relations which may have adverse effects on SpinCo and the price of the SpinCo Shares.

Environmental Regulation can be Onerous.

SpinCo' operations will be subject to environmental regulations. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, will not adversely affect SpinCo' operations. Environmental hazards may exist on the properties in which SpinCo will hold interests which are presently unknown and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits may be required in connection with SpinCo' operations. To the extent such approvals are required and not obtained, SpinCo may be delayed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may require corrective measures be implemented, additional equipment be installed, or other remedial actions be undertaken, any of which could result in material capital expenditures. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on SpinCo and require increased capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Pre-existing environmental liabilities.

Pre-existing environmental liabilities may exist on the properties in which SpinCo will hold an interest or on properties that may be subsequently acquired by SpinCo which are unknown and which have been caused by previous or existing owners or operators of the properties. In such event, SpinCo may be required to remediate these properties and the costs of remediation could be substantial. Further, in such circumstances, SpinCo may not be able to claim indemnification or contribution from other parties. In the event SpinCo was required to undertake and fund significant remediation work, such event could have a material adverse effect upon SpinCo and the value of its securities.

Operating hazards and risks could affect SpinCo's financial condition.

Mineral exploration, development and production are subject to many conditions that are beyond the control of SpinCo. These conditions include, but are not limited to, natural disasters, unexpected equipment repairs or replacements, unusual geological formations, environmental hazards and industrial accidents. The occurrence of any of these events could result in delays, work-stoppages, damage to or destruction of property, loss of life, monetary

losses and legal liability, any of which could have a material adverse effect upon SpinCo or the value of its securities.

While it is anticipated that SpinCo will maintain insurance against risks which are typical in the mining industry, insurance against certain risks to which SpinCo may be exposed may not be available on commercially reasonable terms, or at all. Further, in certain circumstances, SpinCo might elect not to insure itself against such liabilities due to high premium costs or for other reasons. Should SpinCo suffer a material loss or become subject to a material liability for which it was not insured, such loss or liability could have a material adverse effect upon SpinCo and the value of its securities.

Competition for new mining properties by larger, more established companies may prevent SpinCo from acquiring interests in additional properties or mining operations.

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources than SpinCo, SpinCo may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that SpinCo will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

Certain directors of SpinCo may become directors or officers of, or have shareholdings in, other mineral resource companies and there is the potential that such directors or officers will encounter conflicts of interest with SpinCo.

Certain of the directors of SpinCo may become directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which SpinCo may participate, the directors or officers of SpinCo may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with SpinCo for the acquisition of mineral property rights. These interlocking directorships and executive positions may make it more difficult for SpinCo to negotiate participation in additional ventures on satisfactory terms or may make such participation relatively more expensive.

No Assurance that Amalgamation will be completed, the FinCo Financing will occur, Purchase Agreement will be entered into and completed or that SpinCo Shares will be listed on any Stock Exchange.

Following the Effective Date SpinCo will be reporting issuer in the Provinces of British Columbia and Alberta but there will be no liquid trading market or listing for the SpinCo Shares nor will SpinCo hold any assets or cash. The value of SpinCo is dependent on the completion of the Amalgamation, the completion of the Purchase Agreement, the completion of the Finco Financing and the ability to obtain a listing on the TSXV of the SpinCo Shares. Accordingly, if any of these events do not occur, the value of the SpinCo Shares and the ability to monetize the SpinCo Shares will be materially and adversely affected.

The Finco Financing and the Management Share Issuances will dilute Shareholders' interest in SpinCo.

The issuance of securities by Finco pursuant to the Finco Financing and the Management Share Issuances will following the completion of the Amalgamation dilute the interest of the Shareholders in SpinCo.

The restrictions on transfer and resale imposed by the Corporation on the SpinCo Shares to be distributed to the Shareholders may make it more difficult for Shareholders to monetize their SpinCo Shares in an expedient manner or when market conditions are favourable.

The SpinCo Shares will be subject to the following restrictions on resale/transfer imposed by the Corporation as a condition to the distribution to the Shareholders pursuant to the Arrangement:

(c) 25% will be restricted for four months from the Effective Date;

(d) 25% will be restricted for eight months from the Effective Date,

(e) 25% will be restricted for twelve months from the Effective Date; and

(f) the final 25% will be restricted for sixteen months from the Effective Date.

Accordingly, Shareholders may not be able to sell their SpinCo Shares in the time and manner they desire and may not be able to fully realize the value of their SpinCo Shares when market conditions are favorable. No such restrictions will apply to the SpinCo Shares to be received in connection with the Amalgamation by those subscribers holding Finco securities issued in connection with the Finco Financing. In addition, these restrictions may result in the trading market for the SpinCo Shares, not being liquid or very active.

Negative Cash Flow from Operating Activities.

Ona carve-out basis, the SpinCo Projects have no history of earnings and had negative cash flow from operating activities since inception. The SpinCo Projects are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration program on the SpinCo Projects are exploratory in nature. Significant capital investment will be required to define mineral resources and reserves, and achieve commercial production from the SpinCo Projects. There is no assurance that production from the SpinCo Projects will ever generate earnings, operate profitably or provide a return on investment in the future. Accordingly, SpinCo will be required to obtain additional financing in order to meet its future cash commitments.

Current Market Volatility.

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the SpinCo Shares will be subject to market trends generally, notwithstanding any potential success of SpinCo. The value of the SpinCo Shares will be affected by such volatility.

Limited Operating History.

SpinCo has no properties producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. SpinCo has not earned profits to date and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve commercial production from the SpinCo Projects. There is no assurance that SpinCo will be able to raise the required funds to continue these activities.

Additional Requirements for Capital.

Substantial additional financing will be required if SpinCo is to be successful in pursuing its ultimate strategy. No assurances can be given that SpinCo will be able to raise the additional capital that it may require for its anticipated future operations. Commodity prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses, geological results and the political environment are all factors which will have an impact on the amount of additional capital that may be required. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to SpinCo, if at all. If SpinCo is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, forfeit its interest in the SpinCo Projects, incur financial penalties, or reduce or terminate its operations.

Dependence on Outside Parties.

SpinCo will rely on consultants, geologists, engineers and other third parties for exploration and development expertise. Substantial expenditures are required to construct mines, to establish mineral resources and reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, as required, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on SpinCo.

SpinCo will not insure against all risks.

SpinCo's insurance will not cover all the potential risks associated with a mining company's operations. SpinCo may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to companies in the mining industry, including SpinCo, on acceptable terms. SpinCo might also become subject to environmental liability or other hazards which may not be insured against or which SpinCo may elect not to insure against because of premium costs or other reasons. Losses from these events may cause SpinCo to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

No Liquid Trading Market for SpinCo Shares.

The SpinCo Shares are not listed on a stock exchange and listing on the TSXV is subject to the meeting the requirements of, and the approval of, TSXV. It is a condition to the completion of the Amalgamation that (i) the Finco Financing is completed, (ii) SpinCo enters into the Purchase Agreement, and (iii) SpinCo obtains a listing on the TSXV. Until the Amalgamation and the aforementioned events occur, SpinCo will be a reporting issuer in the provinces of British Columbia and Alberta but will not have any liquid trading market nor will SpinCo own any assets. Accordingly, the value of SpinCo will be dependent on the successful completion of the Amalgamation and the aforementioned events occurring. There may never be a liquid market for the SpinCo Shares and an investor may never realize a return on their investment. The SpinCo Shares, therefore, may not be suitable as a short-term investment.

General.

Although FSX and SpinCo believe that the above risks fairly and comprehensibly illustrate all material risks facing SpinCo, the risks noted above do not necessarily comprise all those potentially faced by SpinCo as it is impossible to foresee all possible risks.

REGULATORY ACTIONS

There have been no: (i) penalties or sanctions imposed against SpinCo by a court relating to securities legislation or by a securities regulatory authority; (ii) other penalties or sanctions imposed by a court or regulatory body against SpinCo; and (iii) settlement agreements SpinCo entered into with a court relating to securities legislation or with a securities regulatory authority.

LEGAL PROCEEDINGS

There are no material legal proceedings to which SpinCo is a party or in respect of which any of the assets of SpinCo are subject, which are or will be material to SpinCo, and SpinCo is not aware of any such proceedings that are contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in the Circular or this Schedule H, none of the directors or executive officers of SpinCo or any person or company that is the direct or indirect owner of, or who exercises control or direction of, more than 10% of any class or series of SpinCo' outstanding voting securities, or any associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any past transaction or any arrangement that has materially affected or will materially affect SpinCo.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The auditors of SpinCo are Davidson & Company LLP, Chartered Professional Accountants. Davidson & Company LLP report they are independent of SpinCo within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

Transfer Agent and Registrar

Computershare, at its principal offices in Vancouver, British Columbia, will be the registrar and transfer agent for the SpinCo Shares.

MATERIAL CONTRACTS

The only contracts entered into by SpinCo, that materially affect SpinCo or to which it will become a party on or prior to the Effective Date, that can reasonably be regarded as material to a proposed investor in the SpinCo Shares, other than contracts entered into in the ordinary course of business, are the Arrangement Agreement and, if as and when entered into the Amalgamation Agreement and Purchase Agreement.

Following the Effective Date, copies of these agreements will be available through the internet on the SEDAR website at www.sedar.com

INTERESTS OF EXPERTS

As SpinCo is not yet a reporting issuer, there is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by SpinCo.

SCHEDULE I
AUDIT COMMITTEE CHARTER OF FOSTERVILLE SOUTH EXPLORATION LTD.

(see attached)

I. MANDATE

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Fosterville South Exploration Ltd. (the "Company") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;

2. The compliance of such statements and information with legal and regulatory requirements;

3. The qualifications and independence of the Company's independent external auditor (the "Auditor"); and

4. The performance of the Company's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

C. Appointment and Removal

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Meetings

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.

2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.

3. Require the Auditor to report directly to the Committee.

4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.

2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.

3. Recommend to the Board the compensation of the Auditor.

4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls & Operations of the Company

1. Establish procedures for:

   (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

   (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.

3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:

   (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.

   (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.

   (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review the Company's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.

2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.

4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.

5. Make regular reports to the Board.

6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

7. Annually review the Committee's own performance.

8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.

9. Not delegate these responsibilities.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

SCHEDULE J
LEVIATHAN GOLD LTD. CARVE-OUT FINANCIAL STATEMENTS

(see attached)

Avoca and Timor Project Carve-Out

AUDITED CARVE-OUT FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM PROJECT ACQUISITION ON APRIL 19, 2020 TO JUNE 30, 2020

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Fosterville South Exploration
(re Avoca and Timor Projects Carve-Out)

Opinion

We have audited the accompanying carve-out financial statements of Avoca and Timor Projects Carve-Out (the "Project"), which comprise the carve-out statement of financial position as at June 30, 2020, and the carve-out statements of loss and comprehensive loss, cash flows and changes in equity for the period from project acquisition on April 19, 2020 to June 30, 2020, and notes to the carve-out financial statements, including a summary of significant accounting policies.

In our opinion, these carve-out financial statements present fairly, in all material respects, the financial position of the Project as at June 30, 2020, and its financial performance and its cash flows for the period from project acquisition on April 19, 2020 to June 30, 2020 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Carve-out Financial Statements section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the carve-out financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the carve-out financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Project's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the carve-out financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the carve-out financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the carve-out financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Carve-out Financial Statements

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditor's Responsibilities for the Audit of the Carve-out Financial Statements

Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these carve-out financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

October 7, 2020

Avoca and Timor Project Carve-Out

Carve-Out Statement of Financial Position
As at
(Expressed in Canadian Dollars)

		June 30, 2020
ASSETS		
Non-current assets		
Exploration and evaluation assets (Note 5)	$	701,563
	$	701,563
LIABILITIES AND EQUITY		
Current		
Accounts payable	$	24,755
Promissory note payable (Note 6)		701,563
		726,318
Deficit		
Accumulated other comprehensive income		545
Capital contribution		59,779
Deficit		(85,079)
		(24,755)
	$	701,563

Nature and continuance of operations (Note 2)

Approved and authorized by the Board on October 7, 2020

Approved on behalf of the Board:

"*James Hutton*"
James Hutton, Director

"*Bryan Slusarchuk*"
Bryan Slusarchuk, Director

The accompanying notes are an integral part of these carve-out financial statements.

Avoca and Timor Projects Carve-Out

Carve-Out Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Period from project acquisition on April 19, 2020 to June 30, 2020
EXPENSES	
Exploration and evaluation expenditures (Note 5)	$ 56,719
General and administrative expenditures	28,360
Loss for the period	(85,079)
Items that may subsequently be reclassified to loss	
Exchange difference on translation of foreign operations	545
Loss and comprehensive loss for the period	$ (84,534)

The accompanying notes are an integral part of these carve-out financial statements.

Avoca and Timor Projects Carve-Out

Carve-Out Statement of Cash Flows
(Expressed in Canadian Dollars)

	Period from project acquisition on April 19, 2020 to June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the period	$ (85,079)
Changes in non-cash working capital items:	
Accounts payable	25,300
Cash used in operating activities	(59,779)
CASH FLOWS FROM FINANCING ACTIVITY	
Capital contributions	59,779
Cash provided by financing activities	59,779
Change in cash for the period	-
Cash, beginning of the period	-
Cash, end of the period	$ -

During the period the Company acquired the exploration and evaluation assets through the promissory note payable (note 6). There were no other material non-cash transaction during the period from project acquisition on April 19, 2020 to June 30, 2020.

The accompanying notes are an integral part of these carve-out financial statements.

Avoca and Timor Projects Carve-Out

Carve-out Statements of Changes in Equity

(Expressed in Canadian Dollars)
(Unaudited)

	Period from project acquisition on April 19, 2020 to June 30, 2020
Balance, April 19, 2020	$ -
Transfers from owner, net	59,779
Accumulated other comprehensive income	545
Loss for the period	(85,079)
Balance, June 30, 2020	**$ 24,755**

The accompanying notes are an integral part of these carve-out financial statements.

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Financial Statements

For the period from project acquisition on April 19, 2020 to June 30, 2020
(Expressed in Canadian Dollars)

1. TRANSFER OF ASSETS

On October 1, 2020 Fosterville South Exploration Ltd., ("Fosterville") entered into an Arrangement Agreement (the "Arrangement Agreement") with Leviathan Gold Ltd ("SpinCo) and Leviathan Gold Finance Ltd. ("FinCo"). Under the terms of the Arrangement, Fosterville, pursuant to a Plan of Arrangement, will spin-out its wholly-owned subsidiary, SpinCo which is the sole shareholder of Leviathan Gold (Australia) PTY Ltd ("SpinCo Sub"). Subsequent to the completion of the spin-out, it is proposed that SpinCo Sub will acquire certain assets from Fosterville's wholly-owned subsidiary, Currawong Resources Pty Ltd. ("Currawong"), at fair value and assume certain liabilities described below and following the successful acquisition and amalgamation, SpinCo will apply to list on the TSX Venture Exchange. Prior to the acquisition of assets from Currawong, SpinCo will cause a wholly-owned subsidiary to amalgamate with FinCo (the "Amalgamation"), with SpinCo issuing shares to the former securityholders of FinCo in connection with such amalgamation, subject to certain terms and conditions, as described in more detail below (the "Transaction").

As per the Arrangement Agreement:

- Fosterville will spin-out SpinCo, and the shareholders of Fosterville will receive one share of SpinCo for each share of Fosterville held.
- Post completion of the spin-out, SpinCo will negotiate and acquire for fair value (the "Asset Purchase Agreement") four properties, known as the Avoca and Timor Projects (the "Properties") and assume the underlying royalties payable on certain tenements and the underlying obligations of Fosterville and Currawong under the purchase agreement that Currawong first acquired the Properties
- FinCo will issue 6,000,000 common shares to the new management and board of FinCo.
- FinCo intends to raise a minimum of $5,000,000, which will be held in escrow pending the successful completion of the transaction.
- SpinCo will apply for TSXV listing approval.
- A wholly owned subsidiary of SpinCo will amalgamate with FinCo and SpinCo will issue shares on a 1:1 share exchange basis with the securityholders of FinCo.

The shares issued under the spinout will be subject to the following restrictions on resale:

- 25% will be restricted for four months;
- 25% will be restricted for eight months;
- 25% will be restricted for 12 months; and
- 25% will be restricted for 16 months.

The completion of the Transaction is subject to the satisfaction of various conditions including but not limited to (i) the completion of a FinCo financing for a minimum of $5,000,000 (the "Financing"); (ii) the approval by the shareholders of Fosterville in respect of the spin-out; and (iii) receipt of all requisite regulatory, TSXV, court or governmental authorizations and third party approvals or consents.

These carve-out financial statements reflect the assets, liabilities, expenses and cash flows of the operations included in the exploration projects to be spun out by Fosterville (the "Entity").

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Financial Statements

For the period from project acquisition on April 19, 2020 to June 30, 2020

(Expressed in Canadian Dollars)

2. NATURE AND CONTINUANCE OF OPERATIONS

The Entity is engaged in the acquisition, exploration and evaluation of mineral properties in Victoria, Australia,

The head office of the Entity is located at 488 – 1090 West Georgia Street, Vancouver, British Columbia, V6C 2T6. The registered office of the Entity is located at Suite 2900-550 Burrard Street, Vancouver, BC, V6C 0A3.

These carve-out financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Entity will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Entity's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Entity decides to terminate its commitments, and to cover its operating costs. As indicated in Note 1, FinCo intends to raise a minimum of $5,000,000 to fund operations for the coming year. The Entity may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These carve-out financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying carve-out financial statements. The Entity considers that it has adequate resources to main its core operations for the next twelve months. These material uncertainties may cast significant doubt on the Entity's ability to continue as a going concern.

3. BASIS OF PRESENTATION

Basis of presentation

These carve-out financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC").

These carve-out 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 financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

These carve-out financial statements are presented in Canadian dollars. SpinCo's functional currency is the Canadian dollar and Leviathan Australia's functional currency is the Australian Dollar.

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Financial Statements

For the period from project acquisition on April 19, 2020 to June 30, 2020

(Expressed in Canadian Dollars)

3. BASIS OF PRESENTATION (cont'd…)

Basis of presentation (cont'd…)

The purpose of these carve-out financial statements is to provide general purpose historical financial information of the Projects in connection with the Transaction as detailed in Note 1. Therefore, these carve-out financial statements present the historical financial information of Fosterville that make up the Project, either fully, or partially, where only specifically identifiable assets and liabilities are included, and allocations of shared income and expenses of the Projects that are attributable to the Entity.

The basis of preparation for the carve-out statements of financial position, loss and comprehensive loss, cash flows and changes in equity of the Entity have been applied. The carve-out financial statements have been extracted from historical accounting records of Fosterville with estimates used, when necessary, for certain allocations.

- The carve-out statements of financial position reflect the assets and liabilities recorded by Fosterville and its subsidiary Currawong (together the "Company") which have been assigned to the Entity on the basis that they are specifically identifiable and attributable to the Entity;
- The carve-out statement of loss and comprehensive loss included a pro-rata allocation of the Company's income and expenses incurred in each of the periods presented based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets, compared to the expenditures incurred on all of the Company's exploration and evaluation assets, and based on specifically identifiable activities attributable to the Entity. The Entity recognized 50% of total exploration costs incurred on the Avoca and Timor projects as general and administrative expenditures for the period presented. The percentage is considered reasonable under the circumstances;
- Income taxes have been calculated as if the Entity had been a separate legal entity and had filed separate tax returns for the period presented.

Management cautions readers of these carve-out financial statements that the Entity's results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Entity been a separate entity. Further, the allocation of income and expense in these carve-out statements of loss and comprehensive loss does not necessarily reflect the nature and level of the Entity's future income and operating expenses. Fostervilles's investment in the Entity, presented as equity in these carve-out financial statements, includes the accumulated total loss and comprehensive loss of the Entity.

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Financial Statements

For the period from project acquisition on April 19, 2020 to June 30, 2020

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently throughout by the Entity for purposes of these carve-out financial statements.

a) Use of judgment and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Significant areas requiring the use of management's judgment and estimates relate to the determination of environmental obligations and impairment of exploration and evaluation assets and inputs used in accounting for share-based compensation. Actual results may differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

b) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Entity intends to settle its current tax assets and liabilities on a net basis.

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Financial Statements

For the period from project acquisition on April 19, 2020 to June 30, 2020

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licences and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition of mineral properties are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss. The Company expenses costs related to the exploration and development of mineral properties as they are incurred.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

d) Impairment of tangible and intangible assets

Tangible and intangible assets with finite useful lives are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the assets' cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Financial Statements

For the period from project acquisition on April 19, 2020 to June 30, 2020

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

d) Impairment of tangible and intangible assets (cont'd…)

An impairment loss is charged to profit or loss except to the extent it reverses gains previously recognized in other comprehensive loss/income. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in profit or loss.

e) Provision for environmental rehabilitation

The Entity recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Entity's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Entity does not have any significant rehabilitation obligations.

f) Financial instruments

Financial assets

The Entity will now classify its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI"), or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Entity can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of loss and comprehensive loss in the period.

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Financial Statements

For the period from project acquisition on April 19, 2020 to June 30, 2020

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

f) Financial instruments (cont'd)

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Entity recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

Financial liabilities

The Entity classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Entity's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Financial liabilities at amortized cost: This category includes accounts payable which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of loss and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

5. EXPLORATION AND EVALUATION ASSETS

Avoca and Timor Properties, Victoria, Australia

On April 19, 2020 the Company entered into a purchase agreement with Mercator Gold Australia Pty. Ltd. ("Mercator"), a subsidiary of Alternative Investment Market-listed ECR Minerals PLC, whereby the Company acquired a 100% interest in three high-grade gold properties, including the Timor project and the Avoca project.

Under the terms of the purchase agreement, the Company paid AUD$500,000 to Mercator in consideration for a 100% interest in four gold properties. The Company is acquiring two of the three properties, the Avoca and Timor properties, and assigned a fair value of AUD$390,034 ($347,232) to the Avoca and Timor properties which was based on the proportionate size of the properties.

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Financial Statements

For the period from project acquisition on April 19, 2020 to June 30, 2020

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

In addition, the Company will also pay Mercator AUD$1 for every ounce of gold or gold equivalent of measured resource, indicated resource or inferred resource within one or more of the tenements comprising the gold projects, which payment shall not exceed a total of AUD$1,000,000. In the event the Company carries out commercial production on the gold projects, the Company will pay Mercator AUD$1 for every ounce of gold or gold equivalent ounces produced from the tenements comprising the gold projects, which payment shall not exceed a total of AUD$1,000,000.

In a separate agreement the Company agreed to acquire an underlying royalty on the Avoca project from FliteGold Pty. Ltd., an entity controlled by Rex Motton, a director of Fosterville, for consideration of 225,000 shares, with a fair value of AUD$374,047 ($333,000).

The Company also applied to stake two additional exploration licenses contiguous to the Avoca property, which are currently pending.

Below is a summary of the changes in the exploration and evaluation assets for the period from project acquisition on April 19, 2020 to June 30, 2020:

	June 30, 2020 **$**
Balance, beginning of period	-
Asset acquisition - licenses	347,232
Asset acquisition – Royalty buy-back	333,000
Foreign currency adjustment	21,331
Balance, end of period	701,563

During the period from project acquisition on April 19, 2020 to June 30, 2020, the Company incurred exploration costs as follows:

Exploration Expenditures	Avoca Project	Timor Project	Total
Assay	$ 2,250	$ 210	$ 2,460
Database management	1,351	-	1,351
Geological consulting and field expenditures	2,040	10,982	13,022
Geophysics	1,562	31,316	32,878
Mapping	-	4,623	4,623
Permits and tenement management	2,385	-	2,385
	$ 9,588	$ 47,131	$ 56,719

6. PROMISSORY NOTE PAYABLE

It is proposed that the Properties will be sold to SpinCo at their fair value. Due to the limited time since acquisition and limited exploration expenditures incurred to date by Fosterville, the Entity has assumed that the cost equates to the fair-value of the Properties and has recorded a promissory note payable equal to the acquisition costs as described in note 5. The promissory note payable does not incur interest and is due on completion of the Transaction.

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Financial Statements

For the period from project acquisition on April 19, 2020 to June 30, 2020

(Expressed in Canadian Dollars)

6. PROMISSORY NOTE PAYABLE (cont'd...)

Below is a summary of the changes in the promissory note payable for the period from project acquisition on April 19, 2020 to June 30, 2020:

	June 30, 2020 $
Balance, beginning of period	-
Initial recognition of promissory note payable	680,232
Foreign currency adjustment	21,331
Balance, end of period	701,563

7. RESERVES

Fosterville's investment in the operations of the Entity is presented as accumulated other comprehensive income, capital contribution and deficit in the carve-out financial statements.

Net financing transaction with Fosterville as presented in the carve-out statements of cash flows represents the net contributions relating to the funding of operations between the Projects and Fosterville.

8. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of cash is based on Level 1 inputs of the fair value hierarchy.

The fair value of the Entity's accounts payable and promissory note payable approximates their carrying values due to their short-term nature.

The Entity's risk exposures and the impact on the Entity's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Entity believes it has no significant credit risk.

Liquidity risk
The Entity's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

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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Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Financial Statements

For the period from project acquisition on April 19, 2020 to June 30, 2020

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS AND RISK (cont'd...)

(a) Interest rate risk

The Entity has cash balances and no interest-bearing debt. The interest rate risk on cash is not considered significant

(b) Foreign currency risk

The Entity does not have assets or liabilities in a foreign currency.

(c) Price risk

The Entity is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Entity closely monitors commodity prices and the stock market to determine the appropriate course of action to be taken by the Entity.

9. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2020
Loss for the period	$	(85,079)
Expected income tax (recovery)		(25,524)
Change in unrecognized deductible temporary differences		25,524
Total income tax expense (recovery)	**$**	**-**

The significant components of the Entity's deferred tax assets are as follows:

		2020
Deferred tax assets		
Exploration and evaluation expenditures	$	17,016
Non-capital losses		8,508
		25,524
Unrecognized deferred tax assets		(25,524)
Net deferred tax assets	**$**	**-**

The significant components of the Entity's deductible temporary differences and unused tax losses that have not been recognized in the statements of financial position are as follows:

		2020	Expiry Date Range
Temporary Differences			
Exploration and evaluation expenditures	$	56,719	No expiry date
Non-capital losses available for future periods		28,360	2034 to 2040

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Financial Statements

For the period from project acquisition on April 19, 2020 to June 30, 2020

(Expressed in Canadian Dollars)

10. SEGMENTED INFORMATION

As at June 30, 2020, the Entity currently operates in one segment, being the acquisition and exploration and evaluation of resource assets located in Australia as described in Note 5.

11. CAPITAL MANAGEMENT

As a separate resource exploration activity, the Project does not have share capital and its equity is a carve-out amount from Fosterville's equity. Fosterville has no debt and does not expect to enter into debt financing. The Entity manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of underlying assets. The Project is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Project has no traditional revenue sources. Going forward, it must generate funds through the sale or option of its exploration and evaluation assets. The Entity's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business, rather than through a process of forced liquidation, is primarily dependent upon its continued ability to find and develop mineral property interests, and there being a favorable market in which to sell or option the mineral properties interest; and/or its ability to borrow or raise additional funds from equity markets.

SCHEDULE K
LEVIATHAN GOLD LTD. PRO-FORMA FINANCIAL STATEMENTS

(see attached)

LEVIATHAN GOLD LTD

Pro−Forma Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars, except where specified otherwise)

June 30, 2020

Leviathan Gold Ltd.

Pro−Forma Consolidated Statement of Financial Position

(Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

	Leviathan Gold Ltd	Leviathan Gold Finance Ltd		Pro-forma Adjustments	Pro-forma Consolidated
ASSETS	**As at June 30, 2020**	**As at June 30, 2020**	Note		**As at June 30, 2020**
	$	$		$	$
Current					
Cash	1	1	3 (a)	30,000	3,712,450
			3(b)	(2)	
			3 (c)	4,650,000	
			3 (d)	(701,563)	
			3 (e)	(250,000)	
	1	**1**		**3,728,435**	**3,728,437**
Exploration and evaluation assets	-	-	3 (d)	701,563	701,563
	1	**1**		**4,429,998**	**4,430,000**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Promissory note payable	-	-	3(d)	(701,563)	-
			3(d)	701,563	
	-	**-**		**-**	**-**
Shareholders' equity					
Share capital	1	1	3(a)	30,000	4,430,000
			3(a)	(2)	
			3(c)	5,000,000	
			3(c)	(350,000)	
			3(b)	(250,000)	
Deficit	-	-		-	-
	-	**-**		**4,429,998**	**4,430,000**
	1	**1**		**4,429,998**	**4,430,000**

The accompanying notes are an integral part of these unaudited pro-forma consolidated financial statements.

1 PROPOSED ARRANGEMENT

The accompanying unaudited pro-forma consolidated financial statements of Leviathan Gold Ltd. ("Leviathan" or the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") from information derived from the financial statements of Leviathan Gold Ltd. (the "Company" or "SpinCo"), Leviathan Gold Finance Ltd ("FinCo"), Avoca and Timor Projects Carve-Out ("Avoca and Timor Project"), and carve out information from Fosterville South Exploration Ltd. ("Fosterville") .

The accounting policies applied are the same accounting policies as described in the Avoca and Timor carve-out financial statements. The unaudited pro-forma consolidated financial statements have been prepared for inclusion in the information circular in conjunction with the spin-out of SpinCo., a wholly owned subsidiary of Fosterville., and the proposed sale of certain Fosterville assets and liabilities to SpinCo and subsequent amalgamation with FinCo (as described in more detail below).

(a) Arrangement Agreement

On October 1, 2020 Fosterville entered into a Plan of Arrangement (the "Arrangement Agreement") with SpinCo and FinCo. Under the terms of the Arrangement Agreement, Fosterville, pursuant to a Plan of Arrangement, will spin-out its wholly-owned subsidiary, SpinCo with SpinCo's wholly-owned subsidiary Leviathan Gold (Australia) PTY Ltd ("SpinCo Sub"). Subsequent to the completion of the spin-out, it is proposed that SpinCo Sub will acquire certain assets from Fosterville at fair value and assume certain liabilities described below and following the successful acquisition and amalgamation, the Company will apply to list on the TSX Venture Exchange ("TSXV"). Prior to the acquisition of assets from Currawong, the Company will cause a wholly-owned subsidiary of the Company to amalgamate with FinCo (the "Amalgamation"), with the Company issuing shares of the Company to the former securityholders of FinCo in connection with such amalgamation, subject to certain terms and conditions, as described in more detail below (the "Transaction").

As per the Arrangement Agreement:

- Fosterville will spin-out SpinCo, and the shareholders of Fosterville will receive one share of SpinCo for each share of Fosterville held.
- Post completion of the spin-out, SpinCo will negotiate and acquire for fair value (the "Asset Purchase Agreement") the Avoca and Timor Projects and certain other tenements (the "Properties") and assume the underlying royalties payable on certain tenements and the underlying obligations of Fosterville and Currawong under the purchase agreement that Currawong first acquired the Properties
- FinCo will issue 6,000,000 common shares to the new management and board of FinCo.
- FinCo will raise a minimum of $5,000,000, which will be held in escrow pending the successful completion of the transaction.
- SpinCo will apply for TSXV listing approval.
- A wholly-owned subsidiary of SpinCo will amalgamate with FinCo and SpinCo will issue shares on a 1:1 share exchange basis with the security holders of FinCo.

1 PROPOSED ARRANGEMENT (cont'd…)

(a) Arrangement Agreement (cont'd…)

The shares issued under the spinout will be subject to the following restrictions on resale from the listing date:

- 25% will be restricted for four months;
- 25% will be restricted for eight months;
- 25% will be restricted for 12 months; and
- 25% will be restricted for 16 months.

(b) FinCo Financing

Concurrent with or prior to closing of the Transaction, FinCo will complete a private placement of FinCo Shares or securities convertible into FinCo Shares for estimated gross proceeds of $5,000,000 (the "Concurrent Financing"). Share issuance costs are estimated to be 7% or $350,000.

(c) Amalgamation Agreement

A wholly-owned subsidiary of SpinCo will amalgamate with FinCo. Each FinCo shareholder will receive one share of SpinCo for each share of Finco.

(d) Conditions to Closing the Transaction and Required Approvals

The completion of the Transaction is subject to the satisfaction of various conditions including but not limited to (i) the completion of a Leviathan Finance financing for a minimum of $5,000,000 (the "Financing"); (ii) the approval by the shareholders of Fosterville in respect of the spin-out; and (iii) receipt of all requisite regulatory, TSXV, court or governmental authorizations and third party approvals or consents.

2 BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated financial statements have been prepared by management to give effect to (i) the Arrangement Agreement, (ii) the Concurrent Financing, (iii) the Amalgamation and (iv) the Asset Acquisition. In the opinion of management, the unaudited pro-forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions described in Note 1 in accordance with International Financial Reporting Standards (see Note 3 "Pro Forma Assumptions and Adjustments").

The unaudited pro forma consolidated financial statements have been prepared for illustrative purposes only and may not be indicative of the financial position and results of operations that would have occurred if the transactions had taken place on the dates indicated or of the financial position or operating results which may be obtained in the future. The unaudited pro-forma consolidated financial statements are not a forecast or projection of future results. The actual financial statements and results of SpinCo for any period following June 30, 2020 will likely vary from the amounts set forth in the unaudited pro forma consolidated financial statements and such variation may be material.

The unaudited pro-forma consolidated financial statements should be read in conjunction with:

(a) SpinCo's audited consolidated financial statements for the period from incorporation on June 24, 2020 to June 30, 2020.

(b) FinCo's audited financial statements for the period from incorporation on June 29, 2020 to June 30, 2020

(c) The Avoca and Timor Projects Carve-Out financial statements for the period from project acquisition on April 19, 2020 to June 30, 2020.

(d) Fosterville's interim consolidated financial statements for the period ended June 30, 2020.

(e) The additional information set out in Note 3.

The unaudited pro−forma consolidated statement of financial position has been prepared as if the acquisitions described in Note 1 had occurred on June 30, 2020.

Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

3 PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma consolidated financial statements incorporate the following pro-forma assumptions and adjustments to give effect to the transactions described in Note 1 and other transactions described below as if they had occurred on June 30, 2020:

a. FinCo founders' shares

FinCo issued 6,000,000 common shares to the new management and board of FinCo Finance at a price of $0.005 for proceeds of $30,000.

b. Cancellation of incorporation shares

Each of SpinCo and FinCo cancel their incorporation share.

c. Concurrent financing:

FinCo will complete a private placement of FinCo Shares or securities convertible into FinCo Shares for estimated gross proceeds of $5,000,000 at terms acceptable to the market. The Company has assumed the financing will be completed at a price of $0.50 per common share, resulting in the issuance of 10,000,000 common shares. Share issuance costs are estimated to be 7% or $350,000. The proceeds will be used to fund the exploration of the Properties and general working capital.

d. Acquisition of Fosterville's Avoca and Timor Projects

In connection with the spin-out of the Properties the Company has assumed that the fair value of the Properties in the proposed Acquisition Agreement equates the acquisitions costs incurred by Fosterville to acquire the projects, which amounted to $701,563 (AUD$764,081) as per the Avoca and Timor Project Carve Out financial statements. The Company has assumed that the promissory note will be repaid immediately upon completion of the transaction. The purchase price of the asset acquisition has been allocated as follows:

Purchase price	**$**
Promissory Note Payable – Fair Value of Consideration	701,563

Net assets acquired	**$**
Exploration and evaluation assets	701,563

e. Transaction costs

The Company has estimated transaction costs of $250,000 are expected to be paid by the Resulting Issuer in respect of professional fees for the Transaction and have been recorded as transaction costs within share capital.

Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

3 PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (cont'd…)

f. Fosterville common share issuances

The following Fosterville shares issuance have occurred subsequent to June 30, 2020 or are assumed to have occurred in advance of the spin-out:

i. Fosterville completed a private placement and issued 1,962,500 common shares.

ii. Fosterville has 6,618,180 warrants exercisable at $2.00 and 907,937 agents warrants exercisable at $1.10 which it assumes will be exercised in advance of the spin-out.

iii. Fosterville had 3,300,000 stock options exercisable at $0.40, which it assumes will be exercised in advance of the spin-out.

4 CAPITAL STOCK AND RESERVES

Equity

Authorized:

Unlimited common shares without par value

Issued:

	Capital Stock		
	Number of shares	**Amount in $**	**Reserves**
Capital stock of Leviathan Gold as at June 30, 2020	1	1	-
Capital stock of Leviathan Finance as at June 30, 2020	1	1	-
Capital stock of Fosterville as at June 30, 2020	60,039,111	-	-
Fosterville private placement (Note 3(f))	1,962,500	-	-
Exercise of Fosterville warrants (Note 3(f))	6,618,180	-	-
Exercise of Fosterville stock options (Note 3(f))	3,300,000	-	-
Exercise of Fosterville broker warrants (Note 3(f))	907,937	-	-
Leviathan Finance founders' shares	6,000,000	30,000	-
Cancellation of capital stock of Leviathan Gold and Leviathan Finance	(2)	(2)	-
Concurrent Financing, net (Note 3(c))	10,000,000	5,000,000	-
Financing fees (Note 3(d))	-	(350,000)	-
Balance, June 30, 2020	**89,027,728**	**4,680,000**	**-**

4 CAPITAL STOCK AND RESERVES (cont'd…)

Financing

The Company intends to raise a minimum of $5,000,000 at terms acceptable to the market. The terms, including price, is unknown at this time. The Company has assumed the financing will be completed at a price of $0.50 per common share, resulting in the issuance of 10,000,000 common shares. The Company anticipates it will pay finders' fees and transaction costs of approximately 7% ($350,000) in connection with the listing financing.

Stock options

As at June 30, 2020, the Company does not have any stock options outstanding. The Company intends to issue stock options, in accordance with the proposed stock option plan discussed below, with pricing consistent with the listing financing. The quantity and terms of the stock options are unknown at this time.

The Company intends to authorize a stock option plan under, which it will be authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years with vesting determined by the board of directors.
Share Purchase Warrants

As at June 30, 2020, the Company does not have any warrants outstanding. The Company does not know the terms of the financing, which may comprise a common share or unit of the Company. The Company has assumed that the financing will be offering a common share.

Escrow

The 6,000,000 FinCo founders common shares are to be held in escrow, of which 10% will be released four months from the date that the Company is listed on the TSX-V, with the remaining escrow shares being released in six equal tranches of 15% every six months from the date that the Company listed on the TSX-V for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

The 73,027,728 common shares issued to Fosterville shareholders in the spinout are to be held in escrow, of which 25% will be restricted for four months; 25% will be restricted for eight months; 25% will be restricted for 12 months; and 25% will be restricted for 16 months.

SCHEDULE L
LEVIATHAN GOLD LTD. STOCK OPTION PLAN

(see attached)

LEVIATHAN GOLD LTD.

STOCK OPTION PLAN

1. PURPOSE OF PLAN

1.1 **Purpose.** The purpose of the Stock Option Plan (the "**Plan**") of **LEVIATHAN GOLD LTD.**, a company incorporated under the Business Corporations Act (British Columbia), (the "**Company**") is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

2. DEFINITIONS

2.1 **Definitions.** In this Plan the following words and phrases shall have the following meanings, namely:

(a) **"Blackout Period"** means a period during which there is a prohibition on trading in the Company's securities imposed by the Company on Insiders.

(b) **"Board"** means the board of directors of the Company or, if the Board so elects, a committee of directors (which may consist of only one director) appointed by the Board to administer this Plan.

(c) **"Company"** means Leviathan Gold Ltd.

(d) **"Consultant"** means an individual who (or a corporation or partnership (a "Consultant Company") of which the individual is an employee, shareholder or partner which):

(i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or a subsidiary of the Company other than in relation to a distribution of the Company's securities;

(ii) provides the services under a written contract between the Consultant or Consultant Company and the Company or subsidiary;

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or subsidiary of the Company; and

(iv) has a relationship with the Company or subsidiary of the Company that enables the individual to be knowledgeable about the business and affairs of the Company or subsidiary.

(e) **"Director"** means a director of the Company or any of its subsidiaries.

(f) **"Employee"** means:

(i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada)(and for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and discretion by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.

(g) **"Exchange"** means whichever stock exchange on which the Shares are listed for trading being either the TSX Venture Exchange (the "**TSX-V**") or Toronto Stock Exchange (the "**TSX**").

(h) **"Insider"** means: (i) Director or Officer; (ii) a director or officer of a subsidiary of the Company; or (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company.

(i) "**Investor Relations Activities**" has the meaning set forth in the rules of the Exchange.

(j) **"Management Company Employee"** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations activities.

(k) **"Market Price"** means the price at which the last recorded sale of a board lot of Shares took place on the Exchange during the trading day immediately preceding the date of granting the Option and, if there was no such sale, the closing price on the preceding trading day during which there was such a sale.

(l) **"Officer"** means a chair or vice-chair of the Board, a chief executive officer, chief financial officer, chief operating officer, president, vice-president, secretary, assistant secretary, treasurer or assistant treasurer of the Company or any of its subsidiaries or an individual designated as an officer by a resolution of the Board or the constating documents of the Company.

(m) **"Option"** means an option to purchase Shares granted to an Optionee under this Plan.

(n) **"Optionee"** means a Director, Officer, Employee, Management Company Employee or Consultant granted an Option or a corporation, other than a Consultant Company, granted an Option where the corporation's only shareholder is a Director, Officer or Employee.

(o) **"Plan"** means this stock option plan as amended, supplemented or restated.

(p) **"Shares"** means common shares of the Company.

3. GRANTING OF OPTIONS

3.1 **Administration.** This Plan shall be administered by the Board.

3.2 **Grant by Resolution.** The Board may determine by resolution those Employees, Management Company Employees, Consultants, Officers and Directors to whom Options should be granted and grant to them such Options as the Board determines to be appropriate.

3.3 **Representations to Employees, Consultants, and Management Company Employees.** Every instrument evidencing an Option granted to an Employee, Consultant or Management Company Employee shall contain a representation by the Company and the Optionee that the Optionee is a bona fide Employee, Consultant or Management Company Employee.

3.4 **No Grants if Listed on NEX.** The Board shall not grant any Options if the Shares are listed on the NEX Board of the TSX-V or the Company has been given notice that its listing will or might be transferred to NEX.

3.5 **Terms of Option.** The Board shall determine and specify in its resolution the number of Shares that should be placed under Option to each such Employee, Management Company Employee, Consultant, Officer or Director, the price per Share to be paid for such Shares upon the exercise of each such Option, and the period during which such Option may be exercised.

3.6 **Written Agreement.** Every Option shall be evidenced by a written agreement between the Company and the Optionee. If there is any inconsistency between the terms of the agreement and this Plan the terms of this Plan shall govern.

4. CONDITIONS GOVERNING THE GRANTING & EXERCISING OF OPTIONS

4.1 **Agreements must specify Exercise Period and Price, Vesting and Number of Shares.** In granting an Option, the Board must specify a particular time period or periods during which the Option may be exercised, the exercise price required to purchase the Shares subject to the Option and any vesting terms and conditions of the Option, including the number of Shares in respect of which the Option may be exercised during each such time period.

4.2 **Minimum Exercise Price of Options.** The exercise price of an Option shall not be less than the Market Price, less, if the Shares are listed on the TSX-V, the maximum discount permitted by the Exchange, at the time of granting the Option. If the Optionee is subject to the tax laws of the United States of America and owns (as determined in accordance with such laws) greater than 10% of the Shares at the time of granting of the Option the exercise price shall be at least 110% of the Market Price. If the Shares are listed on the TSX-V, no Options shall be granted which are exercisable at a price of less than $0.05 per Share.

4.3 **Number of Shares subject to Option.** The number of Shares reserved for issuance to an Optionee pursuant to an Option, together with all other stock options granted to the Optionee in the previous 12 months, shall not exceed, at the time of granting of the Option:

(a) 5% of the outstanding Shares, unless the Company has obtained disinterested shareholder approval or the Shares are listed on the TSX;

(b) 2% of the outstanding Shares, if the Optionee is a Consultant and the Shares are listed on the TSX-V; or

(c) 2% of the outstanding Shares (including all other Shares reserved for issuance to all Optionees engaged in investor relations activities to the Company), if the Optionee is engaged in investor relations activities to the Company and the Shares are listed on the TSX-V.

4.4 **Vesting of Options.** Subject to further vesting requirements required by the Board on granting of an Option, all Options shall vest and be exercisable on the following terms:

(a) *If Optionee is Engaged in Investor Relations Activities:* If the Optionee is a Consultant engaged in investor relations activities to the Company and the Shares are listed on the TSX-V, any Option granted to the Consultant must vest in stages over at least 12 months with no more than one quarter of the Option vesting in any three month period.

(b) *If there is a Change of Control:* If a Change of Control is agreed to by the Company or events which might lead to a Change of Control are commenced by third parties, all Options, subject to the Exchange's approval (if required), shall vest immediately and be fully exercisable notwithstanding the terms thereof. For the purposes hereof "**Change of Control**" shall mean:

(i) any transaction or series of related transactions as a result of which any person, entity or group acquires ownership, after the date of an Option, of at least 20% of the Shares and they or their representatives become a majority of the Board or assume control or direction over the management or day-to-day operations of the Company; or

(ii) an amalgamation, merger, arrangement, business combination, consolidation or other reorganization of the Company with another entity or the sale or disposition of all or substantially all of the assets of the Company, as a result of either of which the Company ceases to exist, be publicly traded or the management of the Company or Board do not comprise a majority of the management or a majority of the board of directors, respectively, of the resulting entity,

and to permit Optionees to participate in any of the foregoing, the Board may make appropriate provision for the exercise of Options conditional upon the Shares so issued being taken-up and paid for pursuant to any of the foregoing.

Subject to the approval of the Exchange if the Optionee is a Consultant engaged in investor relations activities for the Company, the Board may advance, at any time, the dates upon which any or all Options shall vest and become exercisable, regardless of the terms of vesting set out in this Plan or the agreement.

4.5 **Exercise of Options if Specified Value Exceeds USD $100,000.** If the Optionee is subject to the tax laws of the United States of America that part of any Option entitling the Optionee to purchase Shares having a value of USD $100,000 or less shall be treated as an 'Incentive Stock Option' under United States *Internal Revenue Code* (so that the Optionee may defer the payment of tax on such Shares until the year in which such Shares are disposed of by the Optionee). For the purposes hereof value is determined by multiplying the number of shares which are subject to the Option times the Market Price (at the time of granting of the Option). That part of any Option on Shares having a value in excess of USD $100,000 shall be treated as a non-qualifying stock option for the purposes of the Code and shall not entitle the Optionee to such tax deferral.

4.6 **Expiry of Options.** Each Option shall expire not later than 10 years from the day on which the Option is granted.

4.7 **Expiry of Options during or immediately after Trading Blackout Periods.** If an Option expires during a Blackout Period then, notwithstanding Section 4.6 or the terms of the Option, the term of the Option shall be extended provided that:

(a) The Blackout Period was formally imposed by the Company pursuant to its internal trading policies as a result of a bona fide existence of undisclosed Material Information (as defined by the rules of the Exchange);

(b) The Blackout Period must expire upon the disclosure of the undisclosed Material Information;

(c) The expiry date can be extended to no later than ten (10) business days after the expiry of the Blackout Period; and

(d) The extension of the Option will not be permitted where the Optionee or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities.

4.8 **Death or Disability of Optionee.** If an Optionee dies or suffers a Disability prior to the expiry of an Option, the Optionee's legal representatives, before the earlier of the expiry date of the Option and the first anniversary of the Optionee's death or Disability, may exercise that portion of an Option which has vested as at the date of death or Disability. For the purposes hereof "**Disability**" shall mean any inability of the Optionee arising due to medical reasons which the Board considers likely to permanently prevent or substantially impair Optionee being an Employee, Management Company Employee, Consultant, Officer or Director.

4.9 **Cessation as an Optionee (With Cause).** If an Optionee ceases to be a Director, Officer, Consultant, Employee or Management Company Employee by reason of termination or removal for cause any Option shall terminate immediately on such termination or removal and not be exercisable by the Optionee unless otherwise determined by the Board.

4.10 **Cessation as an Optionee (Without Cause).** If an Optionee ceases to be any of a Director, Officer, Consultant, Employee or Management Company Employee for any reason except as provided in sections 4.8 or 4.9, any Option shall be exercisable to the extent that it has vested and was exercisable as at the date of such cessation, unless further vesting is permitted by the Board, and must terminate on the earlier of the expiry date of the Option and:

(a) the 90th day after the Optionee ceased to be any of a Director, Officer, Consultant, Employee or Management Company Employee, or such other date as may be reasonably determined by the Board; or

(b) if the Optionee is subject to the tax laws of the United States of America, the earlier of the 90th day and the third month after the Optionee ceased to be an Employee or Officer.

4.11 **No Assignment of Options.** No Option or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that, if permitted by the rules and policies of the Exchange, an Optionee shall have the right to assign any Option (other than an 'Incentive Stock Option' under United States Internal Revenue Code) to a corporation wholly-owned by them.

4.12 **Restriction on Resale of Shares Issued on Exercise of an Option.** If the Optionee is an Insider or the Option is exercisable for a price less than the Market Price at the time the Option is granted, the Shares issued upon the exercise of the Option shall be subject to a four month hold period from the time the Option was granted and the certificates representing such Shares shall be legended accordingly.

4.13 **Notice of Exercise of an Option.** Options shall be exercised only in accordance with the terms and conditions of the agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company.

4.14 **Payment on Exercise of an Option.** Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Optionee on exercise of an Option shall be fully paid for in cash or by certified cheque, bank draft or money order at the time of their purchase.

4.15 **Condition to Issuance of Shares.** The Board may require, as a condition of the issuance of Shares or delivery of certificates representing such Shares upon the exercise of any Option and to ensure compliance with any applicable laws, regulations, rules, orders and requirements that the Optionee or the Optionee's heirs, executors or other legal representatives, as applicable, make such covenants, agreements and representations as the Board deems necessary or desirable.

4.16 **Withholding or Deductions of Taxes.** The Company may deduct, withhold or require an Optionee, as a condition of exercise of an Option, to withhold, pay, remit or reimburse any taxes or similar charges, which are required to be paid, remitted or withheld in connection with the exercise of any Option.

4.17 **Cashless Exercise of Options.** If the Shares are listed on the TSX, an Optionee may elect by notice in writing to the Company to surrender to the Company all or part of an Option, to the extent that the Option has vested and remains unexercised, in consideration of an amount equal to the difference between the aggregate fair market value (based on the weighted average trading price of the Shares on the TSX during the 10 trading days preceding the date of surrender) of the Shares which could have otherwise been purchased upon the exercise of the Option and the aggregate exercise price which the Optionee would have paid upon such exercise. The Company, in its sole discretion, may:

(a) satisfy such amount due to the Optionee by payment in cash or issuance of Shares using such fair market value of the Shares as the issuance price; or

(b) refuse to accept such surrender, whereupon the Option shall remain in full force and effect.

5. RESERVATION OF SHARES FOR OPTIONS

5.1 **Sufficient Authorized Shares to be Reserved.** Whenever the constating documents of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options. Shares that were the subject of Options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an Option.

5.2 **Maximum Number of Shares to be Reserved Under Plan.** The aggregate number of Shares which may be subject to issuance pursuant to Options and any stock options granted under any other previous or current stock option plan or security compensation arrangement shall be 10% of the outstanding Shares at the time of granting the Options. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

5.3 **Maximum Number of Shares Reserved for Insiders.** All Options, together with all of the Company's other previously granted stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at the time of granting, in:

(a) the number of Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the Shares outstanding;

(b) the issuance to Insiders, within a one year period, of Shares totalling in excess of 10% of the Shares outstanding; or

(c) the issuance to any one individual, within a one year period, of Shares totalling in excess of 5% of the Shares outstanding,

unless the disinterested shareholders have approved thereof.

6. CAPITAL REORGANIZATIONS

6.1 **Share Consolidation or Subdivision.** If the Shares are at any time subdivided or consolidated, the number of Shares reserved for Options shall be similarly increased or decreased and the price payable for any Shares that are then subject to issuance shall be decreased or increased proportionately, as the case may require, so that upon exercising each Option the same proportionate shareholdings at the same aggregate purchase price shall be acquired after such subdivision or consolidation as would have been acquired before.

6.2 **Stock Dividend.** If the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for Options shall be increased proportionately and the price payable for any Shares that are then subject to issuance shall be decreased proportionately so that upon exercising each Option the same proportionate shareholdings at the same aggregate purchase price shall be acquired after such stock dividend as would have been acquired before.

6.3 **No Fractional Shares.** No adjustment made pursuant to this Part shall require the Company to issue a fraction of a Share and any fractions of a Share shall be rounded up or down to the nearest whole number, with one-half a Share being rounded up to one Share.

6.4 **No Adjustment for Cash Dividends or Rights Offerings.** No adjustment shall be made to any Option pursuant to this Part in respect of the payment of any cash dividend or the distribution to the shareholders of the Company of any rights to acquire Shares or other securities of the Company.

7. EXCHANGE'S RULES & POLICIES GOVERN & APPLICABLE LAW

7.1 **Exchange's Rules and Policies Apply.** This Plan and the granting and exercise of any Options are also subject to such other terms and conditions as are set out in the rules and policies on stock options of the Exchange and any securities commission having authority and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. If there is an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies shall govern.

7.2 **Compliance With Applicable Laws.** Notwithstanding anything herein to the contrary, the Company shall not be obliged to cause any Shares to be issued or certificates evidencing Shares to be delivered pursuant to this Plan, where issuance and delivery is not, or would result in the Company not, being in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities and the requirements of the Exchange. **If any provision of this Plan, any Option or any agreement entered into pursuant to this Plan contravenes any applicable law, rule, regulation or order, or any policy, bylaw or regulation of the Exchange or any regulatory body having authority over the Company or this Plan, such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith, but the Company shall not be responsible to pay and shall not incur any penalty, liability or further obligation in connection therewith.**

7.3 **No Obligation to File Prospectus.** The Company shall not be liable to compensate any Optionee and in no event shall it be obliged to take any action, including the filing of any prospectus, registration statement or similar document, in order to permit the issuance and delivery of any Shares upon the exercise of any Option in order to comply with any applicable laws, regulations, rules, orders or requirements of any securities regulatory authority.

7.4 **Governing Law.** This Plan shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

8. AMENDMENT OF PLAN & OPTIONS

8.1 **Board May Amend Plan or Options.** The Board may amend or terminate this Plan or any Options but no such amendment or termination, except with the written consent of the Optionees concerned or unless required to make this Plan or the Options comply with the rules and policies of the Exchange, shall affect the terms and conditions of Options which have not then been exercised or terminated.

8.2 **Shareholder Approval.** The approval of disinterested shareholders for an amendment to this Plan or any Option shall be required in respect of Options granted to Insiders involving:

(a) a reduction of the exercise price, including a reduction effected by cancelling an existing Option and granting a new Option exercisable at a lower price within the subsequent one year period, if the Shares are listed on the TSX-V, or three month period, if the Shares are listed on the TSX; or

(b) an extension of the exercise period, if the Shares are listed on the TSX, unless the extension arises from a Blackout Period.

Approval by all holders of Shares, whether the holders are disinterested shareholders or not, is required for:

(a) an increase in the number of Shares, or percentage of the outstanding Shares, reserved for issuance under this Plan; or

(b) a change from a fixed number to a fixed percentage of the outstanding Shares, or from a fixed percentage to a fixed number, in the number of Shares reserved for issuance under this Plan.

No approval by any holders of Shares is required for:

(a) an amendment to comply with applicable law or rules of the Exchange or of a 'housekeeping' nature required to correct typographical and similar errors;

(b) a change to the vesting provisions;

(c) a reduction of the exercise price of an Option, including a reduction effected by cancelling an existing Option and granting a new Option exercisable at a lower price, or an extension of the exercise period, if the Optionee is not an Insider; and

(d) any change in those persons who may be Optionees if such new Optionees are Insiders.

8.3 **Exchange Approval Required.** Any amendment to this Plan or Options shall not become effective until such amendments have been accepted for filing by the Exchange.

9. PLAN DOES NOT AFFECT OTHER COMPENSATION PLANS

9.1 **Other Plans Not Affected.** This Plan shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers, Consultants, Employees and Management Company Employee.

10. OPTIONEE'S RIGHTS AS A SHAREHOLDER

10.1 **No Rights Until Option Exercised.** An Optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to Shares that have been fully paid for and issued to the Optionee upon exercise of an Option.

11. EFFECTIVE DATE & EXPIRY OF PLAN

11.1 **Effective Date.** This Plan has been adopted by the Board subject to the approval of the Exchange and if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained. Thereafter this Plan shall be approved by the holders of the Shares annually, if the Shares are listed on the TSX-V, or tri-annually, if the Shares are listed on the TSX. If such annual approvals are not obtained, Options may no longer be granted.

11.2 **Termination.** This Plan shall terminate upon a resolution to that effect being passed by the Board. Any Options shall continue to be exercisable according to their terms after the termination of this Plan.

Adopted by the Board of Directors on <@>, 2020.

SCHEDULE M
FAIRNESS OPINION OF CLARUS SECURITIES INC.

(see attached)

CLARUS
SECURITIES INC.

September 14, 2020

The Board of Directors
Fosterville South Exploration Ltd.
Suite 488, 1090 West Georgia Street
Vancouver, BC
V6E 3V7

Dear Board of Directors:

RE: FAIRNESS OPINION

1. INTRODUCTION

1.1 The Transaction

Clarus Securities Inc., ("**Clarus**" or "**we**" or "**our**") understands that Fosterville South Exploration Ltd. (the "**Company**" or "**Fosterville South**") is contemplating a transaction, to be effected by way of a plan of arrangement under the *Business Corporations Act (British Columbia)*, whereby the Company would spin out the shares of a separate special purpose company ("**Spinco**" or "**Leviathan**") to its shareholders (the "**Proposed Transaction**").

All currency figures in this Fairness Opinion will be in reference to Canadian Dollars unless stated otherwise.

We further understand that the Company's shareholders will receive shares of Leviathan in exchange for nil as consideration (the "**Consideration**").

We understand that the Proposed Transaction does not constitute a "related party transaction" for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). We further understand that a formal valuation of the Spinco will not be required pursuant to the terms of MI 61-101.

Clarus has been retained by the Board of Directors of Fosterville South to prepare and deliver an opinion as to whether or not the Consideration paid to receive shares in SpinCo in connection with the Proposed Transaction is fair, from a financial point of view, to the shareholders of Fosterville South (the "**Fairness Opinion**").

1.2 Independence

Neither Clarus, nor any of its affiliates or associates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of Fosterville South, Spinco, or any of their respective associates or affiliates (collectively the "**Interested Parties**"). Except in regard to this Fairness Opinion and acting as financial advisor to the Board of Directors, neither Clarus nor any of its associates or affiliates is an advisor to any of the Interested Parties with respect to the Proposed Transaction.

Clarus has not, in the 24-month period preceding this engagement, been engaged to provide any evaluation, appraisal or financial advisory services nor has it participated in any financing or had a material interest in any transaction involving Fosterville South, except that Clarus acted as lead agent in Fosterville South's marketed private placement, which closed on May 14, 2020, raising gross proceeds of C$14,999,996. Clarus also acted as lead agent in Fosterville South's marketed private placement which closed on July 21, 2020 and raised gross proceeds of C$7,850,000.

Clarus has not, in the 24-month period preceding this engagement, been engaged to provide any evaluation, appraisal or financial advisory services nor has it participated in any financing or had a material interest in any transaction involving Spinco or any of their respective associates or affiliates.

Clarus has had no role in developing the terms of the Proposed Transaction.

The fees paid to Clarus in connection with this matter are not contingent on the conclusions reached in this Fairness Opinion, or upon the outcome of the Proposed Transaction.

There are no understandings, agreements or commitments between Clarus and the Company, Spinco or any other Interested Party with respect to any future business dealings. Clarus may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Company, Spinco or any other Interested Party.

Clarus acts as an investment dealer and trades, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party and, from time to time, may have executed or may execute transactions on behalf of such companies or other clients for which it may have received or may receive compensation. As an investment dealer, Clarus conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Interested Parties.

As an investment dealer, Clarus conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to its clients on investment matters, including with respect to the Company or the Proposed Transaction.

1.3 Credentials

Clarus is a Toronto-based investment dealer and a member of the Investment Industry Regulatory Organization of Canada ("**IIROC**"), the Toronto Stock Exchange ("**TSX**") and the TSX Venture Exchange ("**TSXV**"). Clarus has operations in a broad range of investment banking activities, including corporate finance and advisory, institutional equity sales and trading, and equity research. Clarus has participated in a significant number of transactions involving the financing and advisory of junior mining companies since the commencement of Clarus' operations began in 2003. In this period of time, Clarus has prepared numerous fairness opinions in connection with both friendly and hostile change of control transactions, and published research on a wide range of junior mining exploration companies which involved a detailed valuation and investment analysis of each issuer.

The principal author of this report by Clarus, Robert Orviss, has over 27 years of capital markets experience with a specific focus on advisory and financing of small capitalization growth companies. He is a member of the Toronto Society of Financial Analysts (CFA Society), and has held the Chartered Financial Analyst (CFA) designation since September 2000. The co-author of this report by Clarus, Edward Drake, has over eight years of capital markets experience with a specific focus on advisory of financial services companies and financing of small capitalization growth companies. He holds a Masters of Finance from Queen's University.

This Fairness Opinion has been prepared in accordance with the Disclosure Standards for Fairness Opinions of IIROC (specifically, IIROC Rules 29.14 to 29.24), but Fosterville South has not been involved in the preparation or review of this Fairness Opinion.

The opinions expressed in this Fairness Opinion represents the opinion of Clarus and its form and content have been approved for review by the Board of Directors and officers, each of whom is experienced in merger, acquisition, divestiture, fairness opinion and capital market matters.

1.4 Engagement Timing and Financial Terms

Clarus was engaged by the Board of Directors pursuant to an engagement agreement dated June 19, 2020 (the "**Engagement Agreement**"). Pursuant to the terms of the Engagement Agreement, Clarus was engaged to act as advisor to the Board of Directors to provide a Fairness Opinion with respect to the Consideration in connection with the Proposed Transaction. The terms of the Engagement Agreement provide that Clarus is to be paid the following fees for its services as advisor: (a) a work fee of $25,000 payable upon the execution of the Engagement Agreement; (b) a financial advisory fee of $10,000 due and payable upon completion of the Evaluation Report presented to the Board of Directors; and (c) a completion fee of $45,000 due and payable upon delivery to the Board of Directors of the Fairness Opinion. In addition, Clarus is to be indemnified by the Company in certain circumstances, against certain expenses, losses, claims, actions, damages and liabilities which may arise, directly or indirectly, from services performed by Clarus under the Engagement Agreement.

Except as contemplated in this Fairness Opinion, this Fairness Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without the express prior written consent of Clarus.

1.5 Prior Fairness And Valuation Opinions

Clarus has been informed by the company that no other fairness opinions have been prepared by independent parties other than Clarus with respect to the fairness, from a financial point of view, of the Consideration to be received by the Company in connection with Proposed Transaction.

2. SCOPE OF REVIEW

In connection with this Fairness Opinion, Clarus reviewed and relied upon (without attempting to verify independently the completeness or accuracy of) or carried out, among other things, the following:

1. review of summary term sheet regarding the Proposed Transaction received on •;
2. review of Fosterville South's interim financial statements dating back to May 2020;
3. review of Fosterville South's MD&A associated with the interim financial statements dating back to May 2020;
4. review of Fosterville South's investor presentation dated May 2020;
5. review of Fosterville South's Final Long-Form Prospectus filed on March 19, 2020;
6. review of Fosterville South's press release on April 20,2020 announcing purchase agreement with Mercator Gold Australia for the Timor, Avoca, and Moormbool projects;
7. discussions with Fosterville senior executives regarding the Proposed Transaction;
8. review of various transactional material provided by senior executives of Fosterville regarding the Proposed Transaction;
9. publicly-known information about Fosterville and SpinCo;
10. discussions with Faskens, counsel to Fosterville, regarding the Proposed Transaction.

Clarus has not, to the best of its knowledge, been denied access by Fosterville to any information requested by Clarus.

3. RELEVANT COMPANY INFORMATION

3.1 Fosterville South Exploration Ltd– Corporate Status and Brief History

Fosterville South Exploration Ltd is a Canada-based company engaged in the acquisition and exploration of epizonal orogenic gold deposits in the State of Victoria, Australia. The Company owns the Lauriston Gold Project, the Golden Mountain Project and Providence Gold Project in Australia. The Lauriston Gold Project is an exploration license of approximately 287 kilometer square (km^2). The Golden Mountain Project is an exploration license of approximately 136 km^2.

3.2 Fosterville South Management

Fosterville South's management is comprised of the following individuals whose experiences and responsibilities are described below

1. *Bryan Slusarchuk –Chief Executive Officer and Director*

   Bryan Slusarchuk is former President of gold producer K92 Mining Inc., a company he co-founded and where he was a member of the Board of Directors and Audit Committee from inception through to cash flow positive mining operations and the declaration of commercial production. K92 has in excess of 650 employees and contractors and is based in Papua New Guinea. The company has recently been named as a 2019 Best 50 on the OTCQX and a 2019 TSX Venture 50, based on outstanding performance for shareholders over the past year

2. *Neil (Rex) Motton – Chief Operating Officer and Director*

   Rex Motton has over 30 years in the mining industry working as a professional geologist. He holds an Honours Degree in Applied Science majoring in Geology from the University of Ballarat, Victoria, Australia. Rex has significant experience and success in exploration, mining and economic evaluation. Experience with several mining companies included Barrick Gold, Dominion Mining and Plutonic Resources. He was the key geologist for six economic deposits at Higginsville for Samantha Gold (later Resolute) in Western Australia. He obtained early development experience at the Darlot and Mt Fisher gold deposits for Sundowner Minerals NL acquired by Plutonic & in turn by Barrick Gold. In more recent years he has been a key consultant for a number of gold exploration & development projects as well as operating mines.

3. *Robert G. McMorran – Chief Financial Officer and Director*

Robert McMorran obtained his Chartered Accountant designation in 1981 and has over 35 years experience working in the mining industry. He founded Malaspina Consultants Inc. in July 1997, a private ompany providing accounting and administrative services to junior public companies. He has held numerous board and senior management positions with a number of public companies since 1991 including Santacruz Silver Mining Ltd, Terra Ventures Inc, Roxgold Gold Inc, and the Canada Dominion Resources Group.

3.3 SpinCo Management

SpinCo's management is comprised of the following individuals whose experiences and responsibilities are described below

1. *Luke Norman – Chief Executive Officer and Director*

   Luke Norman is a seasoned growth executive with 20 years of experience in the venture capital markets. He has raised more than C$300MM for both public and private companies predominantly in the resource sector. In recent years, Mr. Norman has operated a consultancy company to the metals and mining industry. He also co-founded Gold Standard Ventures Corp., a TSX-V and NYSE listed gold exploration company and US Gold Corp., listed on the Nasdaq exchange. He is the Chairman of Silver One Resources as well. He brings experience in mineral exploration, finance, corporate governance, M&A, and corporate leadership to SpinCo.

2. *Robert Schafer –Director*

   Mr. Schafer has nearly 40 years of experience in the mineral industry, working in the international sector with both major and junior mining companies. He is founder and Managing Director of Eagle Mines Management, a globally active private natural resources corporation. He has held executive and senior management positions with Hunter Dickinson Inc., Kinross Gold Corp., and BHP Minerals over the past 20 years. Throughout his career, Bob has worked internationally, with notable experience in the far east of Russia, Southern Africa, South America and Australia. Mr. Schafer's work has included the structuring and implementation of successful exploration strategies, project reviews and valuations leading to acquisitions, and the management of local and expatriate exploration teams operating in a wide variety of geologic environments. In addition, Bob is the Past-President of the PDAC and Past-President of the Canadian Institute of Mining and Metallurgy (CIM) in Canada. In addition, he is the 2020-21 President of the Society for Mining, Metallurgy and Exploration (SME) and a Past President of the Mining and Metallurgical Society of America and the Geological Society of Nevada in the USA.

4. APPROACHES TO FAIRNESS

Clarus performed various analyses in connection with rendering this Fairness Opinion. In arriving at our conclusion, we did not attribute any particular weight to any specific approach or analysis, but rather developed qualitative judgements on the basis of our experience in rendering such opinions and on the information presented as a whole.

In considering the fairness, from a financial point of view, of the Consideration paid by the shareholders of Fosterville South in connection with Proposed Transaction, to the shareholders of Fosterville South, Clarus considered a number of methodologies and approaches commonly used to value business interests. In the context of this Fairness Opinion, Clarus considered the following methodologies (a) precedent transactions involving public-traded shell companies, and (b) public company CPCs ("**Capital Pool Companies**").

Clarus considered a number of net asset approaches, but these were deemed to be more relevant in determining liquidation value for companies which were not going concerns and for which the primary driver of value is their assets.

Precedent Transactions

Clarus reviewed publicly available information for selected reverse takeover transactions ("**RTO**") in the previous three years on the TSX Venture Exchange and derived a range of values attributable to the public-traded shell companies. For these transactions, Clarus observed transaction values between $0.3MM and $5.3MM, with an average of $1.4MM, for public-traded shell companies.

Clarus then compared this range of values to the Consideration to be paid for shares of SpinCo with respect to the Proposed Transaction.

Public Company Comparables

Clarus reviewed publicly available information for CPCs listed on the TSX Venture Exchange and derived a range of market capitalization values for CPCs as of July 31st, 2020.

For these entities, Clarus observed market capitalizations between $137,500 and $3,875,000, with an average of $966,684. Clarus then compared this range of values to the Consideration to be paid for shares of SpinCo with respect to the Proposed Transaction.

Fairness Considerations

The assessment of fairness, from a financial point of view, of the consideration under a transaction must be determined in the context of the particular transaction. Clarus based its conclusion that the Consideration to be received by Fosterville, pursuant to the Proposed Transaction is fair, from a financial point of view, to the shareholders of Fosterville upon a number of quantitative and qualitative factors including, but not limited to:

(a) the Consideration to be paid by the shareholders of Fosterville pursuant to the Proposed Transaction compares favourably to the observed range derived from our analyses using public company comparables;

(b) the Consideration to be paid by the shareholders of Fosterville pursuant to the Proposed Transaction compares favourably to the observed range derived from our analyses using precedent transaction earnings multiple analysis;

(c) other factors or analyses, which we have judged, based on our experience rendering such opinions, to be relevant.

5. ASSUMPTIONS AND LIMITATIONS

This Fairness Opinion is meant solely to provide an indication of fairness, from a financial point of view, of the Consideration received by shareholders of Fosterville pursuant to the Proposed Transaction for the purposes outlined under the heading "Introduction". This Fairness Opinion is subject to the assumptions, explanations and limitations set forth below and noted throughout this Fairness Opinion. In addition, it should be noted that, Clarus was not requested to solicit potential alternatives to the Proposed Transaction. In forming our conclusion as to the fairness, from a financial point of view, of the Consideration received by shareholders of Fosterville pursuant to the Proposed Transaction, we assumed, in addition to the various assumptions noted throughout this Fairness Opinion, that:

- there has been no material change in Fosterville's financial position, operations, or outlook as of the date of this Fairness Opinion;
- all material governmental, regulatory, and other approvals and consents necessary for completion of the Proposed Transaction will be obtained without any material adverse effect on Fosterville or Leviathan;
- there is no litigation pending or threatened against Fosterville as of the date of this Fairness Opinion; and
- there are no additional significant factors of the Proposed Transaction which would have a material impact upon the Fosterville or its assets, as of the date of this Fairness Opinion, that we have not considered in arriving at our conclusions as noted in this this Fairness Opinion.

With the Board of Directors' permission and as provided in the Engagement Agreement, Clarus has relied upon, and has assumed the completeness, accuracy and fair presentation of, all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by Fosterville or its advisors or otherwise obtained pursuant to our engagement, and this Fairness Opinion is conditional upon such completeness, accuracy and fair presentation. Clarus has not been requested or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. With respect to any forecast, projection, budget or other future-oriented financial information provided to us and relied

upon in our analysis, we have assumed (subject to the exercise of our professional judgment) that they have been prepared using assumptions, estimates and judgments which were reasonable on the date such future-oriented financial information was prepared, having regard to the Fosterville and Fosterville's industry, business, financial condition, plans and prospects. Without limiting the foregoing, we have not completed site visits to Fosterville.

Fosterville has represented to Clarus in an officer's certificate delivered as at the date hereof, among other things, that the information, data and other material (financial and otherwise) provided to us by or on behalf of Fosterville, including the written information and discussions referred to above under the heading "Scope of Review" (collectively, the "**Information**") was, at the date the Information was provided to Clarus and is complete, true and correct in all material respects and that, since the dates on which the Information was provided to us and to the best of Fosterville's knowledge, there has been no material change in the condition of the Fosterville and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Fairness Opinion.

We are not legal, tax or accounting experts and express no view as to the legal, tax or accounting aspects of the Proposed Transaction.

This Fairness Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of Fosterville as they are reflected in the Information and as they were represented to us in our discussions with management of Fosterville. In our analyses and in connection with the preparation of this Fairness Opinion, we made numerous assumptions with respect to industry performance, commodity prices, currency exchange rates, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Proposed Transaction.

This Fairness Opinion has been provided to the Board of Directors for its use in considering the Proposed Transaction and may not be relied upon by any other person, used for any other purpose or published without the prior written consent of Clarus (such consent not to be withheld unreasonably). Clarus expresses no opinion with respect to any aspect of the Proposed Transaction other than as expressly provided herein.

This Fairness Opinion is given as of the date hereof and, although we reserve the right to change, withdraw or supplement the Fairness Opinion if we learn that any of the Information that we relied upon in preparing the Fairness Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change, withdraw or supplement the Fairness Opinion, to advise any person of any change that may come to our attention or to update the Fairness Opinion after today.

The preparation of a fairness opinion is a complex process and its respective components cannot be viewed in isolation. Reading selected portions of this Fairness Opinion without considering all of its sections together could result in the misinterpretation of comments

and analysis concerning the fairness, from a financial point of view, of the Consideration to be paid by Fosterville in connection with the Proposed Transaction.

6. CONCLUSION

Based upon and subject to the foregoing and such other matters as Clarus considered relevant, it is Clarus' opinion that, as of the date of this Fairness Opinion, the Consideration to be paid by the shareholders of Fosterville in connection with the Proposed Transaction is fair, from a financial point of view, to the shareholders of Fosterville.

Yours truly,

Clarus Securities Inc.

CLARUS SECURITIES INC.