



**Leviathan Gold Ltd**

Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian Dollars)  
(Unaudited)

For the three months ended September 30, 2020

### **NOTICE TO READER**

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

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

**Leviathan Gold Ltd.**

## Condensed Consolidated Interim Statement of Financial Position

(Expressed in Canadian dollars - Unaudited)

As at

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	September 30, 2020
<b>Assets</b>	
Current Assets:	
Cash	\$ 1
<b>Total Assets</b>	<b>1</b>
<b>Shareholders' Equity</b>	
Shareholders' Equity:	
Share capital (note 4)	1
Deficit	-
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1</b>

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Nature and continuance of operations (Note 1)

Subsequent event (Note 5)

Approved on Behalf of the Board on November 27, 2020:

“Luke Norman”  
Luke Norman - Director

“Jonathan Richards”  
Jonathan Richards - Director

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

**Leviathan Gold Ltd.**

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

(Expressed in Canadian dollars - Unaudited)

For the three months September 30, 2020

	<b>Three months ended September 30, 2020</b>	
<b>Expenses</b>	\$	-
<b>Loss and Comprehensive Loss for the period</b>	\$	-

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

**Leviathan Gold Ltd.**

## Condensed Consolidated Interim Statement of Changes in Shareholder's Equity

For the three months ended September 30, 2020

(Expressed in Canadian dollars - Unaudited)

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	<b>Number of Common Shares</b>	<b>Share Capital</b>	<b>Deficit</b>	<b>Total Shareholders' Equity</b>
Balance, June 24, 2020	-	\$ -	\$ -	\$ -
Shares issued for cash on incorporation	1	1	-	1
<b>Balance, June 30, 2020 and September 30, 2020</b>	<b>1</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 1</b>

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**Leviathan Gold Ltd**

Condensed Consolidated Interim Statement of Cash Flows

For the three months ended September 30, 2020

(Expressed in Canadian dollars - Unaudited)

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	<b>Three months ended September 30, 2020</b>
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<b>Financing Activity:</b>	
Share issued for cash	\$ 1
	<hr/> 1
<b>Net change in cash for the period</b>	<b>1</b>
<b>Cash, beginning of the period</b>	<b>-</b>
	<hr/>
<b>Cash, end of the period</b>	<b>\$ 1</b>

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

# Leviathan Gold Ltd

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended September 30, 2020

(Expressed in Canadian dollars - Unaudited)

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### 1 NATURE AND CONTINUANCE OF OPERATIONS

Leviathan Gold Ltd., (the “Company”) was incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on June 24, 2020. The Company was incorporated as the target company for certain assets and liabilities that are to be spun out from Fosterville South Exploration Ltd. (“Fosterville”). The Company was spun out from Fosterville subsequent to period end, refer to Note 5 for a description of the transaction.

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

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

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

The Company’s continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. The Company has limited capital and will require completion of the proposed transaction (note 5) to continue operations for the upcoming year. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

### 2 BASIS OF PRESENTATION

#### Statement of compliance

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

#### Basis of presentation

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

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

#### Consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned and controlled subsidiary, Leviathan Gold (Australia) PTY Ltd. (“Leviathan Australia”), incorporated in Australia on June 29, 2020.

Leviathan has a functional currency of Canadian Dollar (CAD) and Leviathan Australia has a functional currency of Australian Dollar (AUD).

## **Leviathan Gold Ltd**

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended September 30, 2020

(Expressed in Canadian dollars - Unaudited)

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

### **Consolidation (cont'd...)**

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

## **3 SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

### **Share capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### **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 Company intends to settle its current tax assets and liabilities on a net basis.

### **Financial instruments**

#### Financial assets:

The Company classifies 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 Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

## Leviathan Gold Ltd

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended September 30, 2020

(Expressed in Canadian dollars - Unaudited)

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### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

#### Financial instruments (Cont'd...)

##### Financial assets:

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. The Company has classified its cash as fair value through profit or loss.

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 Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

##### Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company'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 operations and comprehensive loss.

Other financial liabilities: 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.

#### d) Leases

Except for short term leases and leases of low-value assets, the Company (i) recognizes 'right-of-use' assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments discounted at the incremental borrowing rate; (ii) recognizes depreciation of right-of-use assets and interest on lease liabilities in the statement of loss; and (iii) separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

#### e) New standards, interpretations and amendments not yet effective

There are no new standards that will have any significant effect on the Company.

## **Leviathan Gold Ltd**

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended September 30, 2020

(Expressed in Canadian dollars - Unaudited)

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#### **4 SHARE CAPITAL**

##### **(a) Authorized**

Unlimited number of common shares without par value.

##### **(b) Issued and outstanding**

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

#### **5 SUBSEQUENT EVENT**

On October 1, 2020 the Company entered into an Arrangement Agreement (the "Arrangement Agreement") with Fosterville and Leviathan Finance Ltd ("FinCo"). Under the terms of the Arrangement Agreement, Fosterville, pursuant to a Plan of Arrangement, will spin-out the Company (the "Transaction").

The spin-out completed on November 23, 2020 and the Company issued 67,907,831 shares to the Fosterville Shareholders. It is proposed that Leviathan Australia will acquire certain assets from Fosterville's wholly owned subsidiary, Currawong Resources Pty Ltd. ("Currawong"), at fair value and assume certain liabilities as described below. Following the successful acquisition and amalgamation (as described below), the Company will apply to list on the TSX Venture Exchange ("TSXV"). Prior to the acquisition of assets from Currawong, the Company will cause 1274996 B.C Ltd., 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 spun-out the Company, and the shareholders of Fosterville received one share of the Company for each share of Fosterville held, resulting in the Company issuing 67,907,831 common shares.
- FinCo will issue, prior to the effective date of the plan of Arrangement, 6,000,000 common shares to the new management and board of FinCo.
- FinCo intends to raise a \$9,990,000, at a price of \$0.50, which will be held in escrow pending the successful completion of the amalgamation.
- The Company will apply for TSXV listing approval.
- A wholly-owned subsidiary of the Company will amalgamate with FinCo and the Company will issue shares on a 1:1 share exchange basis with the securityholders of FinCo.
- The Company will negotiate and acquire for fair value (the "Asset Purchase Agreement") properties, known as 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.

The shares issued under the spin-out are subject to the following restrictions on resale from November 23, 2020:

- 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"); and (ii) receipt of all requisite regulatory, TSXV, court or governmental authorizations and third party approvals or consents.