



("Leviathan" or "the Company")

**FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020**

Introduction

This Management's Discussion and Analysis ("MD&A") of Leviathan Gold Ltd. including its subsidiary, Leviathan Gold (Australia) PTY Ltd. ("Leviathan Australia") is the responsibility of management and covers the three-month period ended September 30, 2020. The MD&A takes into account information available up to and including November 27, 2020 and should be read together with the condensed consolidated interim financial statements for the period ended September 30, 2020 and with the audited consolidated financial statements for the period from incorporation on June 24, 2020 to June 30, 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 September 30, 2020 and it is proposed that the Company's subsidiary, Leviathan Australia, will acquire the Avoca and Timor projects from Fosterville's wholly owned subsidiary Currawong Resources Pty Ltd. ("Currawong"). Refer to the Proposed Transaction section below for a description of the transaction.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on June 24, 2020. 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.

Throughout this document the terms *we, us, our, the Company* and *Fosterville* refer to Fosterville South Exploration Ltd. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and is presented in Canadian dollars unless otherwise indicated.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements."

Description of Business

The Company was incorporated as the target company for certain assets and liabilities that are to be spun out from Fosterville. The spin-out completed on November 23, 2020 and the Company issued 67,907,831 shares to the Fosterville shareholders. It is intended that the Company will be in the business of acquiring and exploring mineral resource properties in the State of Victoria, Australia.

The Company will negotiate and acquire for fair value 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.

Please refer to the "Proposed Exploration Projects" section below for a description of the Avoca and Timor projects.

Proposed Transaction

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.

Performance Summary and Subsequent Events

During the period ended September 30, 2020 the Company:

- The Company was incorporated on June 24, 2020, a wholly owned subsidiary of Fosterville.

Subsequent to September 30, 2020, the Company:

- On October 1, 2020 the Company entered into an Arrangement Agreement (the “Arrangement Agreement”) with Fosterville and Leviathan Finance Ltd (“FinCo”). Please refer to the proposed transaction section above for a description of the transaction.
- Was spun out on November 23, 2020 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 shares to the Fosterville Shareholders.
- Appointed Luke Norman, Robert Schafer, Jonathan Richards, Krisztian Toth, and Russel Starr to the Board of Directors. In addition, Luke Norman was appointed CEO and Jonathan Richards was appointed CFO.

Outlook

The Company has completed the spin-out, the NI-43-101 and is working diligently to complete the remaining steps of the Proposed Transaction, including the purchase agreement and the amalgamation with FinCo who is pursuing the financing with the target to commence trading during December 2020.

The Company recently announced FinCo's brokered \$7.5 million subscription receipt financing which was significantly oversubscribed due to strong institutional interest. After performing cutbacks, FinCo upsized the financing to \$9.99 million.

It is proposed that the Company will acquire 100% of the Avoca and Timor projects. Upon completion of the financing by FinCo and the amalgamation, the Company will be fully funded to meet the phase I and Phase II work program on the Avoca and Timor projects, which will include diamond drilling. Upon listing the Company will have a strong treasury, excellent projects and an experienced management team with a proven track record at creating shareholder value in the sector.

The Leviathan Gold website launch will occur concurrent with trade date and will be www.leviathangold.com while the stock symbol for Leviathan Gold is anticipated as LVX:TSXV. Listing of the common shares is subject to TSX Venture Exchange approval.

As the Company has no source of revenue at this time, it will continue to deplete capital to operate its drilling programs, fieldwork, office and administrative expenses and continual investigations of new projects and opportunities.

COVID 19

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 business or results of operations at this time.

PROPOSED EXPLORATION PROJECTS

Avoca project

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.

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 riverbed deposits. The Avoca goldfield produced approximately 750,000 ounces of gold largely from alluvial gold deposits.

Having previously been mined with a significant amount of gold production from both alluvial and hard rock high-grade sources, the Company considers the Avoca project is 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:

- 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 intermittently 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;
- 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.

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 occurs approximately 10km 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 and one diamond drill hole too. No drilling has occurred specifically on the Shaw's Reef fault zone. These two mineralized structures are the primary focus for Fosterville South Exploration within the project.

The minimum exploration expenditures due by license and by year to December 31, 2025 are summarized in the table below (AUD\$):

	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	46,800	46,800	46,800	46,800	280,800
Natte Yallock***	-	21,600	23,800	21,600	21,600	20,940	109,540
Total	\$ 79,950	\$ 101,550	\$ 101,935	\$ 99,375	\$99,735	\$99,075	\$ 581,980

* Expires March 16, 2022. The Company will file for a retention license at that time, which upon approval would require annual exploration expenditures of AUD\$31,335.

** Expires November 27, 2021. The Company will file for a retention license at that time, which upon approval would require annual exploration expenditures of AUD\$46,800.

*** Acquired through tenement application, which is in process. The Company expects to be granted the license during the year ended December 31, 2021.

Under Victorian mining laws, the Company is required to incur AUD\$15,000 plus AUD \$150 per km² in first year, AUD \$200 per km² for each of second, third and fourth year and AUD \$300 per km² for each year thereafter. The expenditure commitment per km² increases over time, but is offset by forced tenement area reductions on the second and fourth anniversary of 25% and 40% respectively.

Mr. Neil (Rex) Motton, (B.App.Sc (Geol) Hons., MAusIMM(CP), MSEG) a Qualified Person under the meaning of Canadian National Instrument 43-101, and an advisor to the Company is responsible for the technical content of this Management's Discussion and Analysis.

Results of Operations

The condensed consolidated interim financial statements reflect the financial condition of the Company's business for the period ended September 30, 2020. There were no significant financial transactions during the period ended September 30, 2020. During the three-month period ended September 30, 2020, the Company incurred a loss of \$nil. The Company was incorporated on June 24, 2020 and therefore there are no comparative balances.

Summary of Quarterly Results

	September 30, 2020	June 30, 2020
Working capital	\$ 1	\$ 1
Exploration expenditures	-	-
Share-based compensation	-	-
Net loss	-	-
Comprehensive loss	-	-
Net loss per share - basic	-	-

(1) The Company was incorporated on June 24, 2020.

Discussion of Quarterly Results

The Company was incorporated on June 24, 2020 and during the period ended June 30, 2020 and the quarter ended September 30, 2020 the Company was inactive while Fosterville focused on compiling the necessary agreements and documents for the

information circular to approve the spin-out of the Avoca and Timor properties. The spin-out completed on November 23, 2020.

Liquidity

The Company's proposed mineral exploration and development activities will not provide a source of income. Given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide a complete interpretation of our valuation.

The Company was incorporated as the target company for certain assets and liabilities that are to be spun out from Fosterville. The Company was spun out from Fosterville subsequent to September 30, 2020 and is in the process of completing an amalgamation with FinCo, which is undertaking a \$9,990,000 financing. To date, the projects and the costs associated with the spin-out have been funded by Fosterville. Management expects that following the amalgamation the \$9,990,000 financing undertaken by FinCo will be sufficient to support operations in the near term, including the Phase I & Phase II exploration program as described in the NI43-101.

While the Company currently has sufficient funds to complete the first two phases of the exploration programs on the Avoca and Timor projects, the Company does not have a source of income and to maintain liquidity in the future, the Company continues to investigate additional project and financing opportunities and would consider raising capital via share issuances, debt facilities, joint venture arrangements, or a combination of these options.

The condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuing operations rely on the ability of the Company to continue to raise capital.

Related Party Transactions

During the period ended September 30, 2020, the Company did not enter into any related party transactions

Outstanding Share Data

Common Shares:

As at the date of this report the Company had 67,907,831 common shares issued and outstanding.

Escrow:

As at the date of this report the Company had 67,907,831 shares subject to escrow release provisions.

Stock Options:

As at the date of this report the Company had no stock options outstanding.

Warrants:

At the date of this report, the Company had no warrants outstanding.

Contractual Obligations

It is proposed that the Properties will be sold to the Company at their fair value of AUD\$764,081, which equates the costs incurred by Fosterville.

Except as described herein or in the Company's condensed consolidated interim financial statements at September 30, 2020, the Company had no material contractual obligations.

Off-Balance Sheet Arrangements

At September 30, 2020, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Proposed Transactions

Please refer to the Proposed Transaction section above. Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

Capital Resources

Except as elsewhere disclosed in this document, the Company has no commitments for capital expenditures at the date of this report. Refer to the Exploration Projects section for a description of expenditures required to maintain exploration licenses in good standing.

The Company will continue to seek capital. In the past the Company has raised capital through the issuance of common shares pursuant to private placement. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

Risk Factors

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices, changes in laws and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Risks and uncertainties the Company considers material in assessing its financial statements are described below.

No Assurance that Amalgamation will be completed, the Financing will occur, Purchase Agreement will be entered into and completed or that the Company's shares will be listed on any Stock Exchange. Following the Effective Date Leviathan will be reporting issuer in the Provinces of British Columbia and Alberta but there will be no liquid trading market or listing for the Company's shares nor will Leviathan hold any assets or cash. The value of Leviathan is dependent on the completion of the Amalgamation, the completion of the Purchase Agreement, the completion of the Financing and the ability to obtain a listing on the TSXV of the Company's Shares. Accordingly, if any of these events do not occur, the value of the Company's Shares and the ability to monetize the Company's Shares will be materially and adversely affected.

Leviathan will require additional funding.

At September 30, 2020, the Company had working capital of \$1. The Company recently announced that FinCo, with whom it intends to amalgamate, is undertaking a brokered \$7,500,000 subscription receipt financing, which was upsized subsequently to \$9,990,000. While management are confident of FinCo completing the financing, there is no assurance that the financing will be completed or that the funds will be released from Escrow or that the amalgamation will occur. If the financing and amalgamation are successful, the Company still does not have any source of revenue and will require additional funding. The Company will continue to rely upon equity subscriptions to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. There can be no assurances that the Company will be successful in raising the desired level of financing on acceptable terms.

Exploration, Mining and Operational Risks

The business of exploring for and mining minerals involves a high degree of risk. Few properties that are explored are ultimately developed into mines. At present, the Victoria Properties do not have any known mineral resources or reserves and the proposed exploration and drilling programs are an exploratory search for such mineral resources or reserves.

The Company's operations are subject to all the hazards and risks normally associated with the exploration, development and mining of minerals, any of which could result in risk to life, to property, or to the environment. The Company's operations may be subject to disruptions caused by unusual or unexpected formations, formation pressures, fires (including forest fires), power failures and labour disputes, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment, machinery, labour or adverse weather conditions. The availability of insurance for such hazards and risks is extremely limited or uneconomical at this time.

In the event the Company is fortunate enough to discover a mineral deposit, the economics of commercial production depend on many factors, including the cost of operations, the size and quality of the mineral deposit, proximity to infrastructure, financing costs and Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial mineral production.

Leviathan is subject to government regulation.

The Company's mineral exploration 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 the Company's operations or requiring corrective measures, any of which could result in the Company 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.

Exploration, development and mining activities can be hazardous and involve a high degree of risk.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base or precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability.

Leviathan may be adversely affected by fluctuations in metal prices.

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in the price of metals. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world.

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 the Company exploring and developing its projects and could result in higher costs.

Leviathan does not and likely will not insure against all risks.

The Company's insurance will not cover all the potential risks associated with a mining company's operations. The Company 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 the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to environmental liability or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Fosterville to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Leviathan may be subject to disputes.

The Company 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 the Company is unable to resolve these disputes favorably, it may have a material adverse impact on the Company.

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 the Company.

Leviathan is dependent on key personnel.

The Company's success depends in part on its ability to recruit and retain qualified personnel. Due to its relatively small size, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. In addition, despite its efforts to recruit and retain qualified personnel, even when those efforts are successful, people are fallible and human error could result in a significant uninsured loss to the Company.

Leviathan's officers and directors may have potential conflicts of interest.

Leviathan's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. However, applicable law requires the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders and in the case of directors, to refrain from participating in the relevant decision in certain circumstances.

Permits, licenses and approvals

The Company's prospecting activities are dependent upon the grant and renewal of appropriate mineral tenures. Although the Company 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. Furthermore, the Company is required to expend required minimum expenditure amounts on the exploration licenses of the Central Victoria Properties in order to maintain them in good standing. If the Company is unable to expend these amounts, the Company may lose its title thereto.

All mining projects require a wide range of permits, licenses and government approvals and consents. It is not certain that we will be granted these at all, or in a timely manner. If we do not receive them for our mineral projects or are unable to maintain them, it could have a material and adverse effect on the Company.

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 a 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 the Company's granted mineral tenements are within the external boundaries of native title claims, native title determinations and ILUAs, the Company will need to comply with these native title requirements. The failure to comply with these requirements could adversely effect the Company's mineral tenements and its exploration and mining activities thereon.

Title to our mineral properties

We have investigated title to all of our mineral properties and, to the best of our knowledge we have or are entitled to title to all of our properties subject to the items described in the MD&A and in our condensed consolidated interim financial statements dated September 30, 2020. Challenges may be made to the title to any of our properties and, if successful, they could impair development and/or operations at our mines or projects. There is no assurance that title to any of our properties will not be challenged.

New laws and regulations, or amendments to laws and regulations relating to mineral tenure and land title and usage, including expropriations and deprivations of contractual rights, if proposed and enacted, may affect our rights to our mineral properties. There is no assurance that we will be able to operate our properties as currently permitted or that we will be able to enforce our rights with respect to our properties.

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 the Company.

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 the Company and the price of the Company's securities.

No Liquid Trading Market for Leviathan Shares.

The Leviathan 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 Financing is completed, (ii) Leviathan enters into the Purchase Agreement, and (iii) Leviathan obtains a listing on the TSXV. Until the Amalgamation and the aforementioned events occur, Leviathan will be a reporting issuer in the provinces of British Columbia and Alberta but will not have any liquid trading market nor will Leviathan own any assets. Accordingly, the value of Leviathan will be dependent on the successful completion of the Amalgamation and the aforementioned events occurring. There may never be a liquid market for the Leviathan shares and an investor may never realize a return on their investment. The Leviathan shares, therefore, may not be suitable as a short-term investment.

Changes in Accounting Policies including Initial Adoption

The accounting policies applied in preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the period from incorporation on June 24, 2020 to June 30, 2020.

Critical Accounting Policies and Estimates

Leviathan's accounting policies are described in Notes 2 and 3 of its audited consolidated financial statements for the period from incorporation on June 24, 2020 to June 30, 2020. Management considers the following policies / proposed policies to be the most critical in understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

Use of Estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

The most significant estimates relate to the valuation of deferred income tax amounts, impairment testing and calculation of share-based payments. Share-based payments, as measured with respect to the fair value of common shares issued. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred tax assets. The most significant judgments relate to the functional currency of the Company and its subsidiaries.

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses (including option payments) 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 the profit and loss statement. 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 mining, or alternatively, sale of the respective areas of interest.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital. When vested options are forfeited or not exercised at the expiry date the amount previously recognized in share-based payments is revised from share-based payment reserve to deficit. Amounts recorded for forfeited or expired unexercised warrants are transferred to share capital.

Note Regarding Forward-Looking Statements

Except for historical information, this MD&A may contain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.

The factors that could cause actual results to differ materially include, but are not limited to, the following: Fosterville has no assurance that the licenses will be issued nor if issued, that they will be issued in a timely manner, general economic conditions; changes in financial markets; the impact of exchange rates; political conditions and developments in countries in which the Company operates; changes in the supply, demand and pricing of the metal commodities which the Company hopes to find and successfully mine; changes in regulatory requirements impacting the Company's operations; the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties.

This list is not exhaustive and these and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements.

This MD&A contains certain forward-looking statements. Although forward-looking statements and information contained in this MD&A are based on the beliefs of Fosterville management, which we consider to be reasonable, as well as assumptions made by and information currently available to Fosterville management, there is no assurance that the forward-looking statement or information will prove to be accurate. The forward-looking statements and information contained in this MD&A are subject to current risks, uncertainties and assumptions related to certain factors including, without limitations, obtaining all necessary approvals, feasibility of mine and plant development, exploration and development risks, expenditure and financing requirements, title matters, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with vendors and strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices, and one-time events as well as risks, uncertainties and other factors discussed in our quarterly and annual and interim management's discussion and analysis. Should any one or more of these risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements and information may vary materially from those described herein. Accordingly, readers should not place undue reliance on forward-looking statements and information contained in this MD&A. We undertake no obligation to update forward-looking statements or information except as required by law.