



FORM 2B
LISTING APPLICATION

LEVIATHAN GOLD LTD.

**APPLICATION FOR THE LISTING OF COMMON SHARES IN THE CAPITAL OF
LEVIATHAN GOLD LTD. ON THE TSX VENTURE EXCHANGE**

JANUARY 29, 2021

No securities regulatory authority or the TSX Venture Exchange has expressed an opinion about the securities which are the subject of this Application.

TABLE OF CONTENTS

Item 2: Glossary	3
Item 3: Summary.....	5
Item 4: Corporate Structure	6
Item 5: Description of the Business	7
Item 6: Financings.....	26
Item 7: Dividends and Other Distributions.....	28
Item 8: Management’s Discussion and Analysis	29
Item 9: Disclosure of Outstanding Security Data on Fully Diluted Basis	35
Item 10: Description of Securities to be Listed	36
Item 11: Consolidated Capitalization.....	37
Item 12: Stock Option Plan.....	38
Item 13: Prior Sales.....	39
Item 14: Escrowed Securities and Securities Subject to Restriction on Transfer.....	39
Item 15: Principal Securityholders.....	39
Item 16: Directors and Executive Officers	39
Item 17: Executive Compensation	44
Item 18: Indebtedness of Director and Executive Officers.....	47
Item 19: Audit Committees and Corporate Governance.....	47
Item 20: Agent, Sponsor or Advisor	49
Item 21: Risk Factors	49
Item 22: Promoters.....	54
Item 23: Legal Proceedings and Regulatory Actions	54
Item 24: Interests of Management and Others in Material Transactions	54
Item 25: Investor Relations Arrangements	55
Item 26: Auditors, Transfer Agents and Registrars	55
Item 27: Material Contracts	55
Item 28: Experts	55
Item 29: Other Material Facts	55
Item 30: Additional Information - Mining Applicants	55
Item 31: Exemptions	55
Item 32: Financial Statement Disclosure for Issuers	56
Item 33: Significant Acquisitions	56
Item 34: Certificates.....	57
Schedule A: Stock Option Plan.....	59

Schedule B: Leviathan Gold Ltd. Carve-Out Financial Statements	60
Schedule C: Leviathan Gold Ltd. Financial Statements	61
Schedule D: Leviathan Gold Ltd. Pro-Forma Financial Statements.....	62
Schedule E: Leviathan Audit Committee Charter	63

Item 2: Glossary

“\$” means Canadian dollars, unless otherwise specified.

“**Agents**” means the agents for the Finco Financing, being Clarus Securities Inc., Eventus Capital Corp. and Canaccord Genuity Corp.

“**AUD**” means Australian Dollars.

“**Amalgamation**” means the contemplated amalgamation of Finco and CanSub following the Effective Date of the Arrangement.

“**Amalgamation Agreement**” means the definitive amalgamation agreement dated November 25, 2020 between Leviathan, CanSub, and Finco following the Effective Date.

“**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.

“**Arrangement Agreement**” means the arrangement agreement dated October 1, 2020 between FSX, FinCo and Leviathan, a copy of which is attached as Schedule C to the Circular.

“**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 Applicant, as constituted from time to time.

“**Broker Warrants**” means the 1,543,500 broker warrants issued to the Agents and a finder in connection with the Finco Financing, each of which, following the satisfaction of the Escrow Release Conditions, will entitle the holders thereof to acquire one Leviathan Share for a period of 24 months following the satisfaction of the Escrow Release Conditions at a price of \$0.50 per Leviathan Share.

“**CanSub**” means 1274996 B.C. Ltd., a wholly-owned subsidiary incorporated under the BCBCA by the Applicant for the purpose of effecting the Amalgamation.

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

“**Currawong**” means Currawong Resources Pty Ltd., a wholly owned subsidiary of FSX.

“**Effective Date**” means November 23, 2020.

“**Escrow Release Conditions**” means (i) the entering into of the Purchase Agreement; (ii) Leviathan shall have advised that it is prepared to file an amalgamation application in respect of the Amalgamation; and (iii) the TSX Venture Exchange approving the listing of the common shares of Leviathan.

“**Finco**” means Leviathan Gold Finance Ltd., a corporation existing under the BCBCA.

“Finco Financing” means the offering by Finco of 25,816,000 Subscription Receipts at a price of \$0.50 per Subscription Receipt for gross proceeds to Finco of \$12,908,000 completed in two tranches on December 9, 2020 and December 10, 2020.

“Finco Shares” means common shares in the capital of Finco.

“FSX” means Fosterville South Exploration Ltd., a corporation existing under the BCBCA.

“FSX Meeting” means the annual and special meeting of FSX shareholders 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.

“Leviathan”, “Company” or “Applicant” means Leviathan Gold Ltd.

“Leviathan Carve-out Financial Statements” means the carve-out financial statements for Leviathan set out in Schedule B hereto.

“Leviathan Option” means the options issuable pursuant to the Leviathan Option Plan.

“Leviathan Option Plan” means the stock option plan of Leviathan, substantially in the form attached as Schedule A to this Application.

“Leviathan Projects” means the Avoca and Timor Projects and certain other mineral tenements located in the state of Victoria, Australia.

“Leviathan Shares” means common shares in the capital of the Applicant.

“Leviathan Sub” means Leviathan Gold (Australia) Pty Ltd., a wholly-owned subsidiary of Leviathan.

“Leviathan Pro-forma Financial Statements” means the pro-forma financial statements for Leviathan set out in Schedule D hereto.

“Management and Consultant Share Issuances” means the issuance of a total of 6,000,000 common shares in the capital of Finco to its management team and consultants, which management team will become the management team of Leviathan upon completion of the Amalgamation and which consultants will provide services to Leviathan following completion of the Amalgamation.

“Management and Consultant Option Issuances” means the issuance by Leviathan to its management team and consultants of 7,000,000 Leviathan Options to acquire 7,000,000 Leviathan Shares at a price of \$0.50 per Leviathan Share.

“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 to the Circular.

“Purchase Agreement” means the purchase agreement dated December 9, 2020 between Leviathan Sub and Currawong, pursuant to which Leviathan Sub will acquire, among other things, the Leviathan Projects.

“Registrar” means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA.

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

“Subscription Receipts” means the 25,816,000 subscription receipts issued pursuant to the Finco Financing, with such Subscription Receipts to be automatically exchanged for 25,816,000 Leviathan Shares upon satisfaction of the Escrow Release Conditions.

“**Timor and Avoca Technical Report**” means the technical report prepared for the benefit of the Applicant after completion of the Arrangement, the Amalgamation and the transactions contemplated by the Purchase Agreement effectively dated August 10, 2020 by Stuart Hutchin (BSc, MAIG) 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.

Item 3: Summary

The following is a summary of the principal features of this listing and should be read together with the more detailed information, financial data and statements contained and incorporated by reference elsewhere in this Application.

The summary information with regard to the business of Leviathan Gold Ltd. (the “**Applicant**”) should be read together with the more detailed information and financial statements contained or referred to elsewhere in the Application, the Timor and Avoca Technical Report and the Circular. Except for Item 8 or as otherwise indicated, this Application assumes that the Amalgamation has been completed, the purchase and sale of the Timor and Avoca Project has been completed, the Management and Consultant Share Issuances have been completed and the Escrow Release Conditions have been satisfied.

The Business of Leviathan

Leviathan was incorporated on June 24, 2020. On October 1, 2020, FSX, Leviathan and Finco entered into the Arrangement Agreement relating to the previously announced spin-out transaction of the Leviathan Shares to FSX shareholders (announced June 23, 2020). Pursuant to the Arrangement Agreement, FSX has distributed Leviathan Shares to FSX shareholders on the basis of one Leviathan Share for every one FSX Share held for no additional consideration.

Finco has completed the Finco Financing to fund the exploration, advancement and development of the Leviathan Projects, CanSub and Finco have amalgamated pursuant to the BCBCA (with the shareholders of Finco receiving one Leviathan Share for each Finco share held as consideration for the Amalgamation) and Leviathan Gold (Australia) Pty Ltd., a wholly-owned subsidiary of Leviathan, has acquired the granted exploration licenses for the Leviathan Projects located in the state of Victoria, Australia from Currawong, a wholly-owned subsidiary of FSX.

Leviathan’s principal business, operated through Leviathan Sub, will be the advancement of the Leviathan Projects located in the State of Victoria, Australia. Leviathan has cash in an amount of approximately \$11.1 million (see Item 5 – *Available Funds And Principles Purposes*). Future exploration and development are expected to be financed through additional equity sales or other financing methods deemed appropriate by management.

In accordance with the terms of the Arrangement Agreement, Fosterville South Exploration Ltd. is responsible for paying all the costs and expenses related to the Arrangement Agreement and the transactions ancillary thereto.

See Item 5 - *Description of the Business*.

Outlook

Leviathan is a junior exploration company expected to be engaged in the exploration and development of the Leviathan Projects. Its future performance depends on, among other things, its ability to discover and develop mineral resources at economically recoverable quantities, the prevailing market price of commodities it produces, its ability to secure required financing, and in the event mineral resources are found in economically recoverable quantities, its ability to secure operating and environmental permits to commence and maintain mining operations.

Leviathan owns highly prospective gold-focused assets in the Leviathan Projects, underpinned by cash in an amount of approximately \$11.1 million (see Item 5 – *Available Funds And Principles Purposes*). Leviathan’s primary objective will be to generate returns from these assets for shareholders and value for its other stakeholders. Leviathan may also consider additional opportunities to grow shareholder value through the acquisition of additional prospective mineral properties, or other strategic transactions.

Management, Directors and Key Employees

Luke Norman	<i>Director, Chairman and Chief Executive Officer</i>
Jeremy Crozier	<i>Chief Operations Officer</i>
Jonathan Richards	<i>Director and Chief Financial Officer</i>
Krisztian Toth	<i>Director</i>
Russell Star	<i>Director</i>

See Item 16 - *Directors and Executive Officers*.

Mineral Projects

A detailed description of the Leviathan Projects is set out in the Timor and Avoca Technical Report, which is enclosed with this Application.

Risk Factors

Leviathan is a junior mineral exploration company. This industry is capital intensive, highly speculative, and is subject to fluctuations in commodity prices, market sentiment, inflation and other risks.

See Item 21 - *Risk Factors*.

Selected Consolidated Financial Information

Set forth below is a summary of certain selected audited and unaudited historical carve out financial information and *pro forma* unaudited financial information after giving effect to the Arrangement with respect to Leviathan for the periods indicated. The selected historical carve out financial information of Leviathan for the period from Incorporation to June 30, 2020 is audited and the selected historical carve out financial information of Leviathan for the period June 30, 2020 to September 30, 2020 is unaudited and in each case has been derived from the applicable Leviathan Projects financial statements set out in Schedule B to this Application. The selected *pro forma* unaudited financial information has been derived from the applicable *pro forma* unaudited financial statements set out in Schedule D to this Application. 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 FSX Meeting and the Arrangement (and such resolution was approved), 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 Leviathan 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 Leviathan for any future periods or as of any date.

	Leviathan June 30, 2020 (audited)	Leviathan Projects June 30, 2020 (audited)	
Total assets	1	701,563	
Total liabilities	nil	726,318	
<hr/>			
	Leviathan September 30, 2020 (unaudited)	Leviathan Projects September 30, 2020 (unaudited)	Pro Forma September 30, 2020 (unaudited)
Total assets	1	728,997	11,821,697
Total liabilities	nil	733,410	Nil

Item 4: 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. The telephone number for the registered office is 416-564-7194. The corporate website for the Applicant is www.leviathangold.com.

The Applicant is a reporting issuer in Alberta.

Intercorporate Relationships

Prior to the date of the Amalgamation, the Applicant incorporated 1274996 B.C. Ltd., a wholly-owned subsidiary under the BCBCA for the purpose of effecting the Amalgamation. After completing the Arrangement and the Amalgamation, the Applicant amalgamated (in a short-form vertical amalgamation) with the entity resulting from the amalgamation between CanSub and Finco. Accordingly, the Applicant has one wholly-owned subsidiary, being Leviathan Sub.

Item 5: Description of the Business

Pursuant to the Arrangement, the Amalgamation, and the transactions contemplated by the Purchase Agreement, Leviathan, through the Leviathan Sub, owns the Leviathan Projects. In this capacity Leviathan carries on the business previously carried on by FSX with respect to the Timor and Avoca properties. Leviathan intends to operate as an exploration and development company and will continue to advance the Leviathan Projects and seek other mining assets and opportunities. Leviathan has not carried on any active business to date other than in connection with the Arrangement and related matters. Leviathan's only material property is the Avoca and Timor Projects for which disclosure is provided below.

General Development Of The Business - Three Year History

The Applicant has not carried on any active business to date other than in connection with the Arrangement and related matters.

Leviathan Capitalization

Following completion of the Arrangement, the Finco Financing, the Amalgamation, the transactions contemplated by the Purchase Agreement and the payment of agent fees in connection with the Finco Financing, Leviathan has cash in the amount of approximately \$11.1 million (see Item 5 – *Available Funds And Principles Purposes*). See Item 20 – *Agents, Sponsor or Advisor*.

Pro-forma Holdings of Leviathan Shares

	Number of Holders	Total Leviathan Shares Held
Former FSX Shareholders ⁽¹⁾	Indeterminable ⁽²⁾	67,907,831
Finco Financing Shareholders ⁽³⁾	262	25,816,000
Broker Warrant Holders ⁽⁴⁾	4	1,543,500
Management and Consultant Share Issuances Holders	8	6,000,000
Management and Consultant Option Issuances Holders ⁽⁵⁾	8	7,000,000
Total:	Indeterminable ⁽²⁾	108,267,331

Notes:

- (1) The Leviathan Shares issued to FSX shareholders pursuant to the Arrangement. These shares are subject to contractual restrictions on resale/transfer. See Item 14 - *Escrowed Securities and Securities Subject to Restriction on Transfer*.
- (2) FSX is a publicly traded company, the majority of whose shares are held at the facilities of the Canadian Depository for Securities, and whose shares traded up until the Effective Date. The exact number of holders of FSX shares immediately prior to the Effective Date is not determinable, although based on available information with respect to the distribution of FSX shares prior to the Effective Date, the Applicant believes they are widely held.
- (3) Subscription Receipts purchased in the Finco Financing are convertible into, or exercisable or exchangeable for, voting or equity securities of the Applicant following the satisfaction of the Escrow Release Conditions.
- (4) The 1,543,500 Broker Warrants issued in connection with the Finco Financing, which following the satisfaction of the Escrow Release Conditions, will entitle the holders thereof to acquire one Leviathan Share for a period of 24 months following the satisfaction of the Escrow Release Conditions at a price of \$0.50 per Leviathan Share
- (5) The 7,000,000 Leviathan Options entitle the holders thereof to acquire 7,000,000 Leviathan Shares at a price of \$0.50 per Leviathan Share for a period of 5 years.

Trends

Management is not aware of any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on Leviathan’s business, financial condition or results of operations as at the date of this Application, except as otherwise disclosed herein or except in the ordinary course of business.

Timor And Avoca Properties

The following information has been adapted from the Timor and Avoca Technical Report.

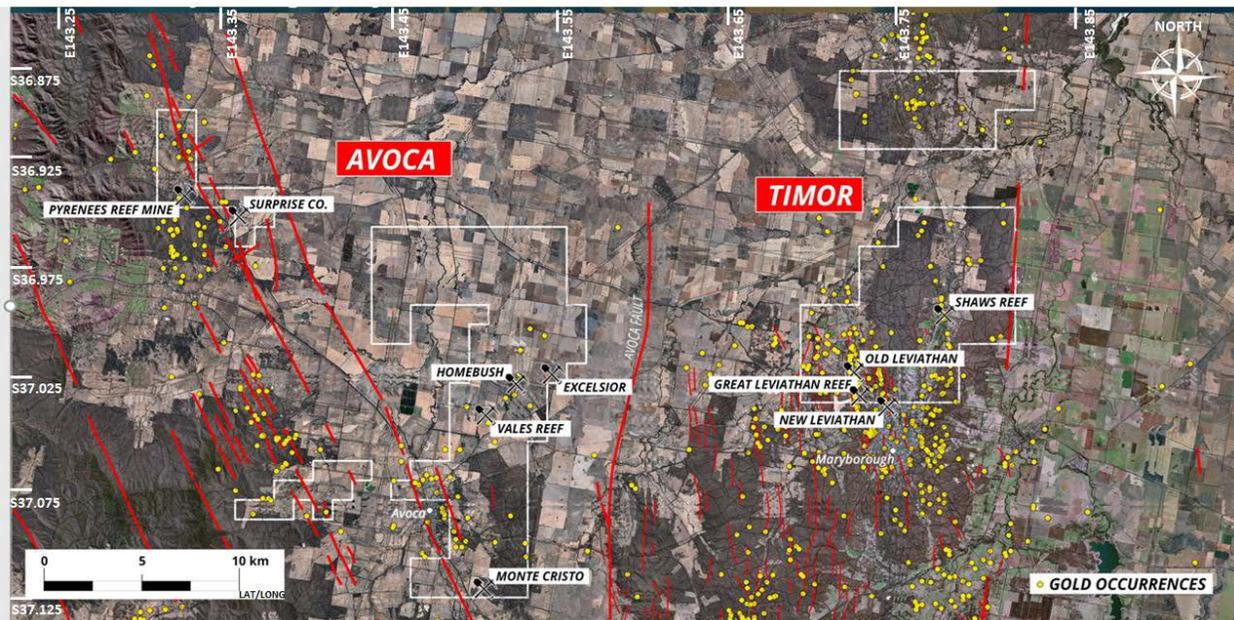
Project Description, Location and Access

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 stopping 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 km² 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 km².

Access to power, water, sites for potential waste disposal, 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 will be assumed by Leviathan 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°	143.497709
Timor	EL6278	17/03/2017	16/03/2022	121	-37.019434°	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 Leviathan. 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 Leviathan 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 Leviathan 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 0.05 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 Cristo 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.

Henry's 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

Prospect	Comment
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

Hole ID	Core Size	Location (MGA 94 Zone 54)						Intercept			
		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

Hole ID	Core Size	Location (MGA 94 Zone 54)						Intercept			
		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
							<i>Incl</i>	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
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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 Tabberaberran 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 5km², 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 placed 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 Leviathan 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

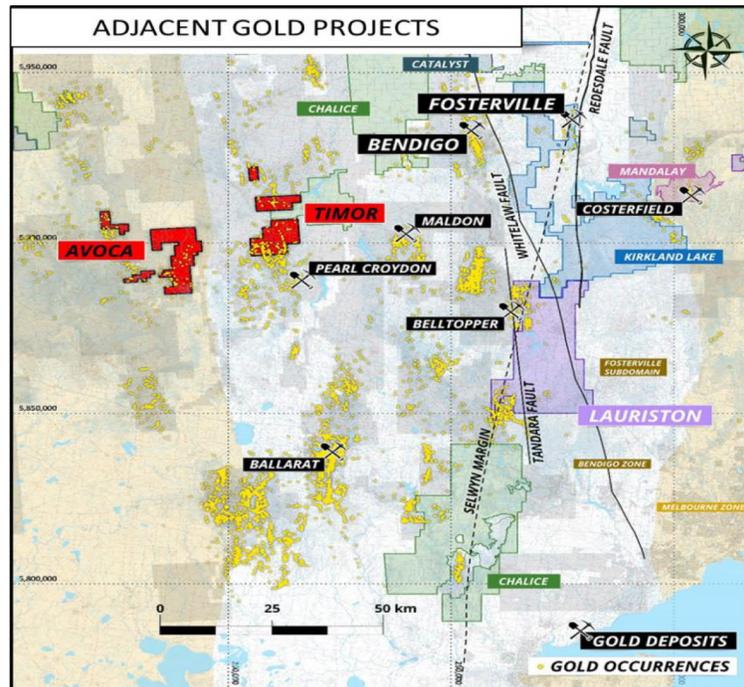
Apart from some basic test work on tailings material, no specific bulk samples or metallurgical test work has been completed to establish potential processing parameters or metallurgical performance of primary mineralised material within either project area.

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 Leviathan personnel. Such information is not necessarily indicative of mineralisation on the Leviathan 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/m³ 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, the Amalgamation, the transactions contemplated by the Purchase Agreement and the payment of agent fees in connection with the Finco Financing, the Company will have approximately \$11,120,398 of estimated funds available, comprised of the following:

Available Proceeds	(\$)
Subscription receipt financing	12,908,000
Finders fees	(771,750)
Other issuance costs	(94,553)
Avoca and Timor Purchase Agreement ⁽¹⁾	(748,799)
Funds made available to the Company ⁽²⁾	(373,042)
Approximate working capital as at December 31, 2020	200,542
TOTAL:	11,120,398

Notes:

- (1) Amount is AUD\$764,081 (CAD \$748,799) and has been converted to Canadian Dollar using an exchange rate of 0.98.
- (2) A portion of the net proceeds from the financing were made available to the Company.

The expected principal purposes for which the available funds will be used are described below:

Use of Available Funds	(\$)
Exploration and Drill Program on the Avoca and Timor Projects ⁽¹⁾	4,224,949
General and administrative costs for next 12 months ⁽³⁾	1,109,000

Remaining costs of the Listing	100,000
Unallocated working capital	4,984,887
TOTAL:	11,120,398

Notes:

- (1) See "Avoca and Timor Proposed Exploration Budget Summary". Includes year 1 and 2 totaling AUD4,311,172 (CAD\$4,224,949) and has been converted to Canadian Dollar using an exchange rate of 0.98.
- (2) Refer to General and Administration Costs table below.

The Company estimates that its working capital will be sufficient to meet its general and administrative costs and exploration expenditures for the twelve-month period following the Listing Date. General and administrative costs for the twelve-month period following the Listing Date are comprised of the following:

General and Administrative Costs for 12 Month Period Following the Listing Date	(\$)
Management and directors fees	700,000
Professional fees – Legal, accounting, and auditing	139,000
Shareholder communications	114,000
Transfer Agent, regulatory and Exchange Fees	40,000
Travel	60,000
Office, Insurance, Miscellaneous and Travel	56,000
TOTAL:	1,109,000

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 (AUD)	Year 2 (AUD)	Total (AUD)
Avoca and Timor Projects	\$2,437,854	\$1,873,318	\$4,311,172

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 (AUD)
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	
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

Item	Section	Subtotal Cost (AUD)
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	\$ 2,437,854

Avoca And Timor Proposed Exploration Budget 12 -24 Months

Order	Section	Subtotal Cost (AUD)
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	\$1,873,172

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 Leviathan. Accordingly, while Leviathan anticipates that it will spend the funds available to it as stated herein, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

Item 6: Financings

Leviathan's principal business, operated through Leviathan Sub, will be the advancement of the Leviathan Projects located in the State of Victoria, Australia. Leviathan has cash in an amount of approximately \$11.1 million (see Item 5 – *Available Funds And Principles Purposes*). Future exploration and development are expected to be financed through additional equity sales or other financing methods deemed appropriate by management.

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 AUD\$	Year 2 AUD\$	Total AUD\$
Avoca and Timor Projects	\$2,437,854	\$1,873,318	\$4,311,172

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 (AUD)
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	\$ -
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
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10	Logistics & Admin	
10.1	Hire – Office space	\$12,000
10.2	Purchase – Light vehicle	\$50,000
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10.5	Supplies – PPE, Clothing and Miscellaneous	\$ 8,000
10.6	Fees – Tenements – application and maintenance (AMETS)	\$12,000
	TOTAL	\$ 2,437,854

Avoca And Timor Proposed Exploration Budget 12 -24 Months

Order	Section	Subtotal Cost (AUD)
1	Contractor – Geochemistry	\$ 20,000
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Order	Section	Subtotal Cost (AUD)
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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	\$1,873,318

Business Objectives And Milestones

Leviathan’s current business objective and sole current milestone is to complete exploration and drilling programs on the Leviathan Projects, as described herein. Based upon the recommendations of the Author in the Technical Reports, the Company intends to carry out the exploration programs over a two (2) year period.

The Company intends to spend \$2,437,854 on drilling and geochemistry for the Avoca and Timor projects in the immediate 12 months following listing. If the drilling and sampling work proposed in the Year 1 budget return positive results then this will provide targets for follow-up drilling that will form the basis of the Year 2 budget. After the Company has completed the review of the Year 1 results, developed drill targets and ranked the prospects within the license it is anticipated that a further \$1,873,172 will be spent on continued drilling and geochemical activities in the 12-24 months following listing.

Leviathan’s unallocated funds will be added to the working capital of Leviathan 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 Leviathan 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 Leviathan’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 Leviathan. Accordingly, if continuing with the exploration program becomes inadvisable for any reason, Leviathan 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 Leviathan, although it has no present plans in this respect

Item 7: Dividends and Other Distributions

The Applicant 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 Applicant and other factors which the board of directors, in its sole discretion, may consider appropriate and in the best interests of the Applicant.

Item 8: Management's Discussion and Analysis

The management's discussion and analysis for the Leviathan Projects is for the three month-period ended September 30, 2020 and for the period from their acquisition on April 19, 2020 to June 30, 2020 and was prepared as of October 9, 2020 and January 25, 2021, respectively, and should be read in conjunction with the audited and unaudited carve-out financial statements of the Leviathan Projects as set out in Schedule B. We have incorporated by reference the management's discussion and analysis of Leviathan Gold Ltd., for the three months ended September 30, 2020, which was filed on SEDAR on November 27, 2020.

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 Leviathan 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 Leviathan 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 the Applicant. For additional information relating to the risks and uncertainties facing the Applicant and that could affect the performance of its business and results of operations, see Item 21 of this Application "*Risk Factors*".

The audited carve-out financial statements for the Leviathan Projects were prepared for the specific purpose of inclusion in the Circular and forming the basis for the financial information to support this Application. The unaudited carve-out financial statements for the Leviathan Projects were prepared for the specific purpose of inclusion in this Application and forming the basis for the financial information to support this Application. They reflect the financial position, statement of loss and comprehensive loss, cash flows and changes in equity related to the Leviathan Projects, which are intended to be transferred to Leviathan Sub by FSX under the Arrangement and the transactions contemplated by the Purchase Agreement. As neither FSX nor the Applicant have historically prepared financial statements for the Leviathan Projects and the Leviathan 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 Leviathan Projects on the basis that they are specifically identifiable and attributable to the Leviathan 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 Leviathan Projects. The Leviathan 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 Leviathan Projects had been a separate legal entity and had filed separate tax returns for the period presented.

The Leviathan Projects financial results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Leviathan 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 Leviathan Projects' future income and operating expenses. FSX's investment in the Leviathan Projects, presented as equity in the carve-out financial statements, includes the accumulated total loss and comprehensive loss of the Leviathan Projects. The objective of this Item 8 is to provide the reader with an analysis of the historical assets, liabilities, revenues and operating expenses of the Leviathan Projects for the above mentioned periods.

Management cautions readers of the carve-out financial statements for the Leviathan 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 Leviathan Projects would have earned or incurred during the period or will incur in the future.

Overview

Leviathan was incorporated on June 24, 2020 and is currently a wholly-owned subsidiary of FSX. On October 1, 2020, FSX, Leviathan and Finco entered into the Arrangement Agreement relating to the previously announced spin-out transaction of the Leviathan Shares to FSX shareholders (announced June 23, 2020). Pursuant to the Arrangement Agreement, FSX distributed Leviathan Shares to shareholders on the basis of one Leviathan Share for every one FSX Share held on November 23, 2020, issuing 67,907,831 common shares.

Following completion of the Arrangement, FinCo raised \$12,908,000 via a subscription receipts financing at a price of \$0.50 per subscription receipt. The proceeds of the financing, in part, will be used to fund the exploration, advancement and development of the Leviathan Projects. Leviathan CanSub and Finco will amalgamate pursuant to the BCBCA (with the shareholders of Finco receiving one Leviathan common share for each Finco share held in connection with the amalgamation) and Leviathan Sub, a wholly-owned subsidiary of Leviathan, will acquire the granted exploration licenses for the Leviathan 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 Leviathan Projects located in the State of Victoria, Australia will be Leviathan's primary focus. Future exploration and development are expected to be financed through additional equity sales or other financing methods deemed appropriate by management.

Outlook

Leviathan is a junior exploration company expected to be engaged in the exploration and development of the Leviathan 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, Leviathan is expected to have highly prospective gold-focused assets in the Leviathan Projects, underpinned by the approximately \$11.1 million (less commissions payable) in cash remaining from the proceeds of the FinCo Financing. Leviathan's primary objective will be to generate returns from these assets for shareholders and value for its other stakeholders. Leviathan 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 Leviathan to predict the duration or magnitude of the adverse results of the outbreak and its effects on Leviathan's business or results of operations at this time.

As Leviathan 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 Leviathan 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. Leviathan 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 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, Leviathan 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) is currently 100% owned by FSX's subsidiary, Currawong. The Timor Project 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 Leviathan'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 Leviathan Projects on April 19, 2020 to June 30, 2020 and for the three-month period ended September 30, 2020:

	September 30, 2020	June 30, 2020
	\$	\$
Balance, beginning of period	701,563	-
Asset acquisition - licenses	-	347,232
Asset acquisition – Royalty buy-back	-	333,000
Foreign currency adjustment	27,434	21,331
Balance, end of period	728,997	701,563

During the period from acquisition on April 19, 2020 to June 30, 2020, the Leviathan Projects incurred exploration costs as follows:

<i>Exploration Expenditures</i>	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
	<u>\$ 9,588</u>	<u>\$ 47,131</u>	<u>\$ 56,719</u>

During the three-month period ended September 30, 2020, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	Avoca Project	Timor Project	Total
Geological consulting and field expenditures	\$ 20,865	\$ 2,881	\$ 23,746
Permits and tenement management	2,551	-	2,551
	<u>\$ 23,416</u>	<u>\$ 2,881</u>	<u>\$ 26,297</u>

The minimum exploration expenditures by license and by year to December 31, 2025 are summarized in the table below:

	2020	2021	2022	2023	2024	2025	Total
	AUD\$	AUD\$	AUD\$	AUD\$	AUD\$	AUD\$	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	<u>\$ 79,950</u>	<u>\$ 101,550</u>	<u>\$ 101,935</u>	<u>\$ 99,375</u>	<u>\$ 99,735</u>	<u>\$ 99,075</u>	<u>\$ 581,980</u>

* Acquired through tenement application. Leviathan expects to be granted the licenses during the year ended December 31, 2020.

**Leviathan intends to file an application for a retention license, which upon approval would require annual exploration expenditures of approximately 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.

Results Of Operations

Three-month period ended September 30, 2020:

The carve-out financial statements of the Leviathan Projects reflect the financial condition of the Leviathan Projects for the three-month period ended September 30, 2020. As the Leviathan Projects were acquired on April 19, 2020, there is no financial information for any comparative period.

During the three-month period ended September 30, 202, the Leviathan Projects incurred a loss of 39,446. Significant expenditures included:

- Exploration expenditures of \$26,297. During the period, the Leviathan Projects commenced exploration, including planning for the proposed drill program.
- General and administration expenditures of \$13,149. FSX funded all general and administrative expenditures. The Leviathan 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 three-month period ended September 30, 2020, the Leviathan Projects incurred a comprehensive loss for the period of \$41,249. The Leviathan Projects recognized a gain on translation of foreign operations of \$1,803.

Period from project acquisition on April 19, 2020 to June 30, 2020:

The audited carve-out financial statements of the Leviathan Projects reflect the financial condition of the Leviathan Projects for the period from acquisition of the Leviathan Projects by FSX on April 19, 2020 to June 30, 2020. As the Leviathan 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 Leviathan Projects incurred a loss of \$85,079. Significant expenditures included:

- Exploration expenditures of \$56,719. During the period, the Leviathan Projects commenced exploration, including geophysics and mapping.
- General and administration expenditures of \$28,360. FSX funded all general and administrative expenditures. The Leviathan 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 Leviathan Projects incurred a comprehensive loss for the period of \$84,534. The Leviathan Projects recognized a gain on translation of foreign operations of \$545.

Discussion Of Results

To date, operations on the Leviathan Projects have consisted of project acquisition, license maintenance, and early-stage project exploration. Significant items impacting the Leviathan 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 Leviathan Projects or general corporate activities.

Liquidity

As the Leviathan Projects to date have been engaged entirely in the development of exploration properties, the Leviathan Projects have not generated any operating revenues and have relied primarily on funding from FSX. FinCo has completed the Finco Financing, raising gross proceeds of \$12,908,000 via subscription receipts, which is sufficient to fund the first two phases of exploration as per the 43-101. Management expects that these funds will be sufficient to support operations in the near term.

The continuing operations of the Leviathan Projects are dependent upon Leviathan'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 Leviathan's ability to successfully complete the exploration and development of its mineral properties and commence profitable operations in the future.

As at September 30, 2020 the Leviathan Projects had accounts payable of \$4,413 (June 30, 2020 - \$24,755), which was settled subsequently by FSX. The Leviathan Projects financial statements include a proposed promissory note payable of \$728,997 (June 30, 2020 - \$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 periods ended September 30, 2020 and June 30, 2020.

Contractual Obligations

As at September 30, 2020 and June 30, 2020, the Leviathan Projects did not have any significant contractual obligations other than the Leviathan Assumed Obligations.

Off-Balance Sheet Arrangements

As at September 30, 2020 and June 30, 2020, the Leviathan 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 Item 2 "*Summary*".

Capital Resources

Other than the expenditures required to maintain the Timor and Avoca exploration licenses in good standing, the Leviathan Projects have no commitments for capital expenditures as at the date of this Listing Application.

Operations at the Leviathan 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 Leviathan will continue to seek equity capital financing to operate the Leviathan Project.

Events After The Reporting Period

Except with respect to the Arrangement discussed above, as of the date of this Listing Application, there are no reportable subsequent events.

Risk Factors

The Leviathan Projects face a variety of risk factors that could affect the performance of the Leviathan 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 Leviathan Projects are described below. For a comprehensive discussion of additional risks applicable to Leviathan and the Leviathan Projects, and Leviathan's business and operations, see item 21 of this Application "*Risk Factors*".

Liquidity Concerns and Additional Future Financing Requirements.

The Leviathan Projects have relied upon equity subscriptions to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. Leviathan may require capital and operating expenditures in connection with the operation and development of the Leviathan Projects and for working capital purposes. There can be no assurance that Leviathan will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible Leviathan to obtain debt financing or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause Leviathan 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 Leviathan Projects have not recorded any revenues from operations nor have the Leviathan Projects commenced commercial production. There can be no assurance that Leviathan will have sufficient capital resources to continue as a going concern, that significant losses will not occur in the near future or that the Leviathan Projects will be profitable in the future. Leviathan expects the Leviathan 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 Leviathan Projects will continue to require the commitment of substantial resources. There can be no assurance that the Leviathan 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 Leviathan Project financial statements are disclosed in the audited 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 Leviathan for the periods indicated. **The selected historical carve out financial information of Leviathan has been derived from the Leviathan Projects financial statements set out in Schedule C to this Application. The selected pro forma unaudited financial information has been derived from the pro forma unaudited financial statements set out in Schedule D to this Application. 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 FSX 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 Leviathan 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 Leviathan for any future periods or as of any date.**

	Leviathan June 30, 2020 (audited)	Leviathan Projects June 30, 2020 (audited)	
Total assets	1	701,563	
Total liabilities	nil	726,318	

	Leviathan September 30, 2020 (unaudited)	Leviathan Projects September 30, 2020 (unaudited)	Pro Forma September 30, 2020 (unaudited)
Total assets	1	728,997	11,821,697
Total liabilities	nil	733,410	nil

Item 9: Disclosure of Outstanding Security Data on Fully Diluted Basis

The only class of voting or equity securities of Leviathan for which there are securities outstanding is common shares, of which 73,907,831 Leviathan Shares (consisting of 67,907,831 pursuant to the Arrangement and 6,000,000 pursuant to the Management and Consultant Share Issuances) are issued and outstanding as at the date of this Application. As of the date of this Application, there are 25,816,000 Subscription Receipts, 7,000,000 Leviathan Options and 1,543,500 Broker Warrants that are convertible into, or exercisable or exchangeable for, voting or equity securities of the Applicant upon satisfaction of the Escrow Release Conditions.

Pro-forma Holdings of Leviathan Shares

	<u>Number of Holders</u>	<u>Total Leviathan Shares Held</u>
Former FSX Shareholders ⁽¹⁾	Indeterminable ⁽²⁾	67,907,831
Finco Financing Shareholders ⁽³⁾	262	25,816,000
Broker Warrant Holders ⁽⁴⁾	4	1,543,500
Management and Consultant Share Issuances Holders	8	6,000,000
Management and Consultant Option Issuances Holders ⁽⁵⁾	8	7,000,000
Total:	Indeterminable ⁽²⁾	108,267,331

Notes:

(1) The Leviathan Shares issued to FSX shareholders pursuant to the Arrangement. These shares are subject to restrictions on resale/transfer. See Item 14 - *Escrowed Securities and Securities Subject to Restriction on Transfer*.

(2) FSX is a publicly traded company, the majority of whose shares are held at the facilities of the Canadian Depository for Securities, and whose shares traded up until the Effective Date. The exact number of holders of FSX shares immediately prior to the Effective Date is not determinable, although based on available information with respect to the distribution of FSX shares prior to the Effective Date, the Applicant believes they are widely held.

(3) Subscription Receipts purchased in the Finco Financing are convertible into, or exercisable or exchangeable for, voting or equity securities of the Applicant following the satisfaction of the Escrow Release Conditions.

(4) The 1,543,500 Broker Warrants issued in connection with the Finco Financing, which following the satisfaction of the Escrow Release Conditions, will entitle the holders thereof to acquire one Leviathan Share for a period of 24 months following the satisfaction of the Escrow Release Conditions at a price of \$0.50 per Leviathan Share.

(5) The 7,000,000 Leviathan options entitle the holders thereof to acquire 7,000,000 Leviathan Shares at a price of \$0.50 per Leviathan Share for a period of 5 years.

Item 10: Description of Securities to be Listed

The following is a summary of the rights, privileges, restrictions and conditions which will be attached to the Leviathan Shares on the Effective Date.

Authorized Capital

The authorized capital of Leviathan consists of an unlimited amount of common shares, of which 73,907,831 Leviathan Shares (consisting of 67,907,831 pursuant to the Arrangement and 6,000,000 pursuant to the Management and Consultant Share Issuances) are issued and outstanding as at the date of this Application. As of the date of this Application, there are 25,816,000 Subscription Receipts, 7,000,000 Leviathan Options and 1,543,500 Broker Warrants that are convertible into, or exercisable or exchangeable for, voting or equity securities of the Applicant following the satisfaction of the Escrow Release Conditions.

Pro-forma Holdings of Leviathan Shares

	<u>Number of Holders</u>	<u>Total Leviathan Shares Held</u>
Former FSX Shareholders ⁽¹⁾	Indeterminable ⁽²⁾	67,907,831
Finco Financing Shareholders ⁽³⁾	262	25,816,000
Broker Warrant Holders ⁽⁴⁾	4	1,543,500
Management and Consultant Share Issuances Holders	8	6,000,000
Management and Consultant Option Issuances Holders ⁽⁵⁾	8	7,000,000
Total:	Indeterminable ⁽²⁾	108,267,331

Notes:

(1) The Leviathan Shares issued to FSX shareholders pursuant to the Arrangement. These shares are subject to contractual restrictions on resale/transfer. See Item 14 - *Escrowed Securities and Securities Subject to Restriction on Transfer*.

(2) FSX is a publicly traded company, the majority of whose shares are held at the facilities of the Canadian Depository for Securities, and whose shares traded up until the Effective Date. The exact number of holders of FSX shares immediately prior to the Effective Date is not determinable, although based on available information with respect to the distribution of FSX shares prior to the Effective Date, the Applicant believes they are widely held.

(3) Subscription Receipts purchased in the Finco Financing are convertible into, or exercisable or exchangeable for, voting or equity

securities of the Applicant following the satisfaction of the Escrow Release Conditions.

(4) The 1,543,500 Broker Warrants issued in connection with the Finco Financing, which following the satisfaction of the Escrow Release Conditions, will entitle the holders thereof to acquire one Leviathan Share for a period of 24 months following the satisfaction of the Escrow Release Conditions at a price of \$0.50 per Leviathan Share.

(5) The 7,000,000 Leviathan Options entitle the holders thereof to acquire 7,000,000 Leviathan Shares at a price of \$0.50 per Leviathan Share for a period of 5 years.

Common Shares

The holders of Leviathan Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Applicant and each Leviathan Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of Leviathan. The holders of the Leviathan Shares, subject to the prior rights, if any, of any other class of shares of the Applicant, are entitled to receive such dividends in any financial year as the Board of Directors of Leviathan may by resolution determine. The Board of Directors of Leviathan may at any time declare and authorize the payment of such dividends exclusively to the registered holders of the Leviathan 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 the Applicant, whether voluntary or involuntary, the holders of the Leviathan Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of Leviathan, the remaining property and assets of the Applicant. The Leviathan Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Item 11: Consolidated Capitalization

Consolidated Capitalization

The following table and the notes thereto set forth the consolidated capitalization of Leviathan effective September 30, 2020, both before and after giving *pro forma* effect to the Arrangement and the completion of the Finco Financing, Amalgamation, Management and Consultant Share Issuances and Escrow Release Conditions. You should read this table in conjunction with the Leviathan Carve-out Financial Statements, the Leviathan Financial Statements and the Leviathan Pro-forma Financial Statements included in Schedule B, Schedule C, and Schedule D respectively, to this Application.

<u>Designation</u>	<u>Authorized</u>	<u>Outstanding as at September 30, 2020 prior to giving effect to the Arrangement</u>	<u>Outstanding as at September 30, 2020 after giving effect to the Arrangement, Amalgamation, Management and Consultant Share Issuances and Escrow Release Conditions ⁽²⁾⁽³⁾⁽⁴⁾</u>
Leviathan Shares	Unlimited	1 ⁽¹⁾	99,723,831

Notes:

- (1) Leviathan was incorporated on June 24, 2020, and issued one Leviathan Share to FSX on such date.
- (2) 67,907,831 Leviathan Shares were issued to holders of FSX Shares on the Effective Date.
- (3) Assumes, 25,816,000 Leviathan Shares issued pursuant to the automatic exchange of the Subscription Receipts upon satisfaction of the Escrow Release Conditions and completion of the Amalgamation.
- (4) Assumes Management and Consultant Share Issuances of 6,000,000 Finco Shares fully completed.

Fully Diluted Share Capitalization

The following table sets forth the fully diluted share capital after giving effect to the Arrangement, Amalgamation, Management and Consultant Share Issuances and Escrow Release Conditions.

	Number of Leviathan Shares	Percentage of Leviathan Shares (Diluted)
Leviathan Shares issued prior to Arrangement.....	1	–
Cancellation of Leviathan Share issued prior to Arrangement	(1)	–
Leviathan Shares issued pursuant to FSX shareholders pursuant to spin-out ⁽¹⁾	67,907,831	62.72%
Leviathan Shares issued pursuant to Finco shareholders pursuant to Amalgamation ⁽²⁾⁽³⁾	31,816,000	29.39%
Subtotal	99,723,831	
Broker Warrants ⁽⁴⁾	1,543,500	1.43%
Leviathan Options ⁽⁵⁾	7,000,000	6.47%
Fully Diluted Total	108,267,331	100%

Notes:

- (1) 67,907,831 Leviathan Shares were issued to holders of FSX Shares on the Effective Date.
- (2) Assumes, 25,816,000 Finco Shares issued pursuant to the automatic exchange of the Subscription Receipts upon satisfaction of the Escrow Release Conditions and completion of the Amalgamation.
- (3) Assumes Management and Consultant Share Issuances of 6,000,000 Finco Shares fully completed and automatically exchanged for Leviathan Shares upon satisfaction of the Escrow Release Conditions and completion of the Amalgamation.
- (4) Issued in connection with the Finco Financing, which following the satisfaction of the Escrow Release Conditions, will entitle the holders thereof to acquire one Leviathan Share for a period of 24 months following the satisfaction of the Escrow Release Conditions at a price of \$0.50 per Leviathan Share.
- (5) Issued in connection with the Management and Consultant Option Issuance. The 7,000,000 Leviathan Options entitle the holders thereof to acquire 7,000,000 Leviathan Shares at a price of \$0.50 per Leviathan Share for a period of 5 years.

Item 12: Stock Option Plan

The Board has adopted the Leviathan Option Plan, which is substantively similar to the FSX Option Plan. A copy of the Leviathan Option Plan is set out in Schedule A to this Application. The Leviathan Option Plan was approved by the shareholders of FSX at the FSX Meeting.

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

Options may be granted under the Leviathan Option Plan to such directors, officers, employees, management or consultants of Leviathan 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 after listing on TSXV, will be the closing market price of the Leviathan Shares on the Exchange on the trading day prior to the date of the grant. The Leviathan Option Plan provides that the number of Leviathan 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 Leviathan Shares, if the individual is a director, officer, employee or consultant, or 1% of the issued Leviathan 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 Leviathan 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 Leviathan Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Item 13: Prior Sales

Since inception on June 24, 2020, the Applicant has completed the following distributions of its securities:

<u>Date of Sale</u>	<u>Type of Security</u>	<u>Price per Security</u>	<u>Number of Securities</u>	<u>Reasons for Issuance</u>
June 24, 2020	Common share	\$0.50	1 ⁽¹⁾	Organization of Leviathan
December 9, 2020	Subscription receipt	\$0.50	25,760,000	Finco Financing ⁽²⁾
December 10, 2020	Subscription receipt	\$0.50	106,000	Finco Financing
January 29, 2021	Common share	\$0.005	6,000,000	Management and Consultant Share Issuances ⁽³⁾

Notes:

- (1) This share was subdivided into 67,907,832 shares prior to the completion of the arrangement in order to distribute the common shares to the FSX shareholders on November 23, 2020 pursuant to the Arrangement.
- (2) There are 1,543,500 Broker Warrants issued in connection with the Finco Financing, which following the satisfaction of the Escrow Release Conditions, will entitle the holders thereof to acquire one Leviathan Share for a period of 24 months following the satisfaction of the Escrow Release Conditions at a price of \$0.50 per Leviathan Share.
- (3) Pursuant to the Management and Consultant Option Issuance Leviathan issued 7,000,000 Leviathan Options. Each Leviathan Option entitles the holders thereof to acquire 7,000,000 Leviathan Shares at a price of \$0.50 per Leviathan Share for a period of 5 years.

Item 14: Escrowed Securities and Securities Subject to Restriction on Transfer

The securities of Leviathan held pursuant to the Management and Consultant Share Issuances and those received by the FSX shareholders in connection with the Arrangement Agreement to FSX shareholders will be held in escrow following the listing of the Applicant pursuant to a Tier 2 Value Security Escrow Agreement, with such common shares to be released as to 10% upon the issuance by the TSXV of the Exchange Bulletin and thereafter released in 15% increments every 6 months.

The DRS statements, certificates, and CUSIP numbers representing Leviathan Shares issued pursuant to the Arrangement bear legends evidencing such contractual restriction, and instructions may be provided to FSX's transfer agent to enforce such restrictions on transfer. No such restrictions apply to the Leviathan Shares received in connection with the Amalgamation by those subscribers holding Finco Shares issued upon exchange of the Subscription Receipts issued in the Finco Financing.

Item 15: Principal Securityholders

To the knowledge of the Applicant, as of the date of this Application, 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 Leviathan.

Item 16: Directors and Executive Officers

Name, Address And Occupation

The names, province or state of residence, positions with the Applicant and the principal occupations of the persons who will serve as directors and executive officers of Leviathan after giving effect to the Arrangement are set out below, together with their *pro forma* holdings of Leviathan Shares.

Name, Position, and Province or State and Country of Residence	Principal occupation (for last 5 years)	Pro Forma Holdings of Leviathan Shares⁽¹⁾
Luke Norman, British Columbia, Canada <i>Executive Chairman and Chief Executive Officer</i>	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.	2,900,000 (2.91%)
Jeremy Crozier, British Columbia, Canada <i>Chief Operations Officer</i>	President and CEO, Medgold Resources Corp; President and CEO Volcanic Gold Mines Inc. Mining and Exploration	1,400,000 (1.4%)
Krisztian Toth, Ontario, Canada <i>Director</i>	Corporate Securities and M&A Partner, Fasken Toronto.	250,000 (less than 1%)
Jonathan Richards, British Columbia, Canada <i>Chief Financial Officer and Director</i>	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 <i>Director</i>	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 (1.00%)

Note:

- (1) Assuming 99,723,831 Leviathan Shares will be issued and outstanding, immediately following the satisfaction of the Escrow Release Conditions and completion of the Amalgamation.
- (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 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 and is Director and CFO of ProStar Holdings Inc.

Russell Starr, 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 Auryr 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.

Jeremy Crozier, Chief Operations Officer

Mr. Crozier holds B.Sc. and M.Sc. degrees in geology, and has over 25 years of exploration, discovery, and mineral project evaluation experience gained in North America, Africa and Europe. Mr. Crozier's previous roles include those of Exploration Manager for TSX-listed Taseko Mines Limited, where he led the discovery and definition of the 400 million tonne Aley Niobium deposit in British Columbia; President and CEO, Volcanic Gold Mines, Inc., Vice President-Project Services at Hunter Dickinson, Inc. and Manager-New Projects at Rockwell Diamonds, Inc. over which time he held responsibility for a variety of large, remote and complex exploration programs at all stages of development from grass roots to feasibility. Mr. Crozier has also served extensively as an independent mineral exploration and business development consultant in Europe and Africa on behalf of a variety of private and corporate clients, and is the current President and CEO of TSX-V listed Medgold Resources Corp.

Krisztian Toth, 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 directors of Leviathan will hold office until the first annual meeting of the holders of Leviathan Shares or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with Leviathan's articles or by-laws.

Information about Leviathan Management

Luke Norman, Executive Chairman and Director

The business of the Applicant will be the primary focus for Mr. Norman and he will be acting as an independent contractor for the Applicant. Mr. Norman's principal occupation for the last five years prior to the date of this listing application was as president and chief executive officer of a mining consultancy firm; Luke Norman Consulting Ltd., which is still carrying on business, as well as acting as chairman of Silver One Resources and president and chief executive officer of Northern Lion Gold Corp. Mr. Norman has over twenty years in the industry of the Applicant, primarily focused in the precious metals exploration industry. See "*Director And Officer Biographies*" above for further information.

Jonathan Richards, Chief Financial Officer and Director

Mr. Richards will be devoting twenty percent of his time to the business of the Applicant in the capacity of an independent contractor. Mr. Richards' principal occupation for the last five years prior to the date of this listing application was as a financial consultant, chief financial officer and corporate secretary for various private issuers and TSX issuers. See "*Director And Officer Biographies*" above for further information.

Jeremy Crozier, Chief Operations Officer

Mr. Crozier will be working part-time on the business of the Applicant in the capacity of an independent contractor. Mr. Crozier's principal occupation for the last five years prior to the date of this listing application was as president and chief executive officer of Medgold Resources Corp. and Volcanic Gold Mines Inc., which are still carrying on business. Mr. Crozier has over twenty-five years experience as an exploration geologist. See "*Director And Officer Biographies*" above for further information.

Leviathan Director and Officer Experience – Prior 5 Years

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Krisztian Toth	Pasofino Gold Limited – <i>British Columbia, Alberta</i>	TSXV	Director	April, 2020	Current
	Trillium Gold Mines Inc. – <i>British Columbia, Alberta</i>	TSXV	Director	July, 2020	Current
	BetterLife Pharma Inc. - <i>British Columbia, Ontario</i>	CSE	Director	May, 2019	May, 2020
	Route1 Inc. - <i>British Columbia, Alberta, Ontario and Quebec</i>	TSXV	Corporate Secretary	April, 2014	Current
	Oando Energy Resources Inc.	TSX	Corporate Secretary	July, 2012	October 2015

Luke Norman	Northern Lion Gold Corp. – <i>British Columbia, Alberta</i>	TSXV	Director	December 2017	Current
	Silver One Resources Inc. – <i>British Columbia, Alberta</i>	TSXV	Director	May 30, 2012	Current
	Rockshield Capital Corp. – <i>British Columbia, Alberta, Ontario</i>	Canadian Securities Exchange	Director	June 25, 2016	June, 2018
Jeremy Crozier	Medgold Resources Corp., <i>British Columbia</i>	TSXV	President and Chief Executive Officer	March, 2019	Current
	Volcanic Gold Mines Inc., <i>British Columbia</i>	TSXV	President and Chief Executive Officer	November, 2016	May, 2020
	Rackla Metals Inc., <i>British Columbia</i>	TSXV	Director	February, 2017	December, 2020
Russell Starr	Trillium Gold Mines Inc. – <i>British Columbia</i>	TSXV	Director	July 2020	Current
	Canada Nickel Company Inc. – <i>British Columbia, Alberta, Ontario</i>	TSXV	Director	February 2020	Current
	Gold Terra Resource Corp – <i>British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland</i>	Frankfurt, TSXV	Director	August 2017	December 2019
Jonathan Richards	ProStar Holdings Inc	TSXV	Director & CFO	December 2020	Current
	Fosterville South Exploration Ltd	TSXV	CFO	April 2020	Current
	Turmalina Metals Corp.	TSXV	CFO	December 2019	Current
	European Electric Metals Inc.	TSXV	CFO	December 2019	Current
	Meridian Mining Societas Europea	TSXV	CFO	February 2014	February 2018
	Volcanic Gold Mines Inc.	TSXV	CFO	December 2010	March 2017
	Inform Resources Corp.	TSXV	CFO	October 2011	September 2016

Corporate Cease Trade Orders or Bankruptcies

No current director or executive officer of Leviathan 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 Leviathan) 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 Leviathan to affect materially the control of Leviathan 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 current director or executive officer of Leviathan has, within the last ten years prior to the date of the Circular, been a director or executive officer of any company (including Leviathan) 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 current director or officer or securityholder holding a sufficient number of securities of Leviathan to affect materially the control of Leviathan 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 current director or officer or securityholder holding a sufficient number of securities of Leviathan to affect materially the control of Leviathan has, within the last ten years prior to the date of this document, been a director or executive officer of any company (including Leviathan) 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 current director or officer or securityholder holding a sufficient number of securities of Leviathan to affect materially the control of Leviathan 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 Leviathan and any director or officer of Leviathan. Directors and officers of Leviathan 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 Leviathan 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 Leviathan will not be devoting all of their time to Leviathan. The directors and officers of Leviathan are directors and officers of other companies, some of which are in the same business as Leviathan. The directors and officers are required by law to act in the best interests of Leviathan. 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 Leviathan may result in a breach of their obligations to the other companies, and in certain circumstances this could expose Leviathan 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 Leviathan. Such conflicting legal obligations may expose Leviathan to liability to others and impair its ability to achieve its business objectives.

Item 17: Executive Compensation

The information provided in this Application is forward looking and based on the compensation that has been determined to date.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee,	Bonus (\$)	Committee or meeting fees (\$)⁽³⁾	Value of Perquisites (\$)	Value of all other	Total compensation (\$)

		retainer or commission (\$)⁽⁴⁾				compensation (\$)	
Luke Norman, <i>Director and Chief Executive Officer</i> ⁽²⁾	2021 ⁽¹⁾	\$330,000	-	-	-	-	\$330,000
Jeremy Crozier, <i>Chief Operations Officer</i> ⁽²⁾	2021 ⁽¹⁾	\$180,000	-	-	-	-	\$180,000
Jonathan Richards, <i>Director and Chief Financial Officer</i> ⁽²⁾	2021 ⁽¹⁾	\$90,000	-	-	-	-	\$90,000
Russell Starr, <i>Director</i> ⁽²⁾	2021 ⁽¹⁾	\$75,000	-	-	-	-	\$75,000
Krisztian Toth, <i>Director</i> ⁽²⁾	2021	\$25,000					\$25,000

Note:

- (1) Pursuant to Form 51-102F6V section 1(8)(b), this is the compensation to be awarded to, earned by, paid to, or payable to the named executive officers and directors of the Company once it becomes a reporting issuer, to the extent this compensation has been determined.
- (2) The Company expects to enter into consulting contracts with respect to the services to be provided by the named executive officers prior to the listing of the Company. A named executive officer who acts as a director will not receive any compensation for acting as a director.
- (3) The Applicant has not established an attendance fee for non-executive directors. However, the Applicant has established an annual retainer for its non-executive directors and will pay Mr. Starr, who will be the lead director, an annual director retainer of \$75,000 and Mr. Toth an annual director retainer fee of \$25,000..
- (4) Following the date of listing of the Company, the Company will retroactively pay Messrs. Richard and Norman beginning November 1, 2020 and will retroactively pay Mr. Crozier beginning December 1, 2020

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Luke Norman, <i>Director and Chief</i>	Common Shares	2,900,000	January 29, 2021	\$0.005			

<i>Executive Officer⁴</i>	Options	2,500,000	January 29, 2021	\$0.50			5 years from issuance date.
Jeremy Crozier, <i>Chief Operations Officer</i>	Common Shares	1,400,000	January 29, 2021	\$0.005			5 years from issuance date
	Options	1,400,000	January 29, 2021	\$0.50			
Jonathan Richards, <i>Director and Chief Financial Officer</i>	Common Shares	250,000	January 29, 2021	\$0.005			5 years from issuance date
	Options	550,000	January 29, 2021	\$0.50			
Russell Starr, <i>Director</i>	Common Shares	1,000,000	January 29, 2021	\$0.005			5 years from issuance date
	Options	1,000,000	January 29, 2021	\$0.50			
Krisztian Toth, <i>Director</i>	Common Shares	250,000	January 29, 2021	\$0.005			5 years from issuance date
	Options	375,000	January 29, 2021	\$0.50			

The services of the directors and executive officers are to be provided through consulting contracts entered into by the Company with management companies established and owned by such officers and directors.

Pursuant to the terms of the consulting agreements, the executive officers are eligible to participate in any benefit plans that may be established by the Company from time to time and the directors and executive officers are eligible to participate in the stock option plan of the Company.

In addition, under the consulting agreements, the directors and executive officers are to be reimbursed for all reasonable business and travel expenses and other expenses reasonably incurred in the performance of their duties. The Company may terminate the consulting agreement at any time upon given 90 days notice in writing to the consultant.

The consulting agreements of the executive officers provide that if a change of control of the Company occurs (defined as (i) a take-over bid pursuant to which a majority of the outstanding shares of the Company are acquired, (ii) a change of control of the Board (defined as the election by the shareholders of less than a majority of persons nominated for election by management of the Company), (iii) a sale or other disposition of all or substantially all of the assets of the Company, (iv) a sale, exchange or disposition of a majority of the outstanding shares of the Company in a single or series of related transactions and (v) a merger, amalgamation or plan or arrangement or other corporate restructuring of the Company in a transaction or series of transactions in which the Company's shareholders as a group receive less than a majority of the outstanding shares of the new or continuing corporation) they are entitled to a severance payment equal to twenty four months of consulting fees if the consulting agreement is terminated (whether by the Company or

the consultant) within 30 days of the change of control and all unvested stock options and other unvested awards will immediately vest.

The Company has a stock option plan which was approved by its sole shareholder at the time (FSX) and the shareholders of FSX on November 13, 2020 (the “**Option Plan**”). The purpose of the Option Plan 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 incentives in their efforts on behalf of the Company in the conduct of its affairs. The Option Plan provides that, subject to the requirements of the TSX Venture Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company’s Common Shares issued and outstanding at the time such options are granted. The Option Plan will be administered by the Company’s Board of Directors, which will have full and final authority with respect to the granting of all options thereunder. Options may be granted under the Option Plan to such directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of option grants will be determined by the Board of Directors, but after listing on the TSX Venture Exchange will be the greater of the closing market price of the Common Shares on the TSX Venture Exchange on the trading day prior to the date of the grant of the option and the date of the grant. The 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 Common Shares, if the individual is a director, officer, employee or consultant, or 1% of the issued Common 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 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.

Item 18: Indebtedness of Director and Executive Officers

There exists no indebtedness of the directors or executive officers of the Applicant, or any of their associates, to the Applicant, 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 the Applicant.

Item 19: Audit Committees and Corporate Governance

Audit Committee

The Audit Committee of Leviathan is comprised of Messrs. Krisztian Toth, Russell Starr and Luke Norman. In accordance with Section 6.1.1. of National Instrument 52-110, the majority of the members of the Audit Committee (being Messrs. Toth and Starr) are not executive officers, employees or controls persons of the Company.

The Charter of the Audit Committee is attached hereto as Schedule E. The Board may from time to time establish additional committees with varying mandates which will be in compliance with applicable legal and regulatory requirements.

Mr. Jonathan Richards will act as the initial Corporate Secretary of the Company.

Corporate Governance

National Policy 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian securities administrators requires the Applicant 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 the shareholders of the Applicant and contribute to effective and efficient decision making. A description of the Company’s governance practices is set out below.

1. Board of Directors

The Board of the Company facilitates its exercise of independent supervision over the Company'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 Company's management being in attendance. In addition the Company has appointed a lead director, Mr. Starr, to assist the Board in the exercise of independent judgement in carrying out its responsibilities

The Board has determined that neither Luke Norman nor Jonathan Richards are considered independent directors because of their positions as executive officers of the Company. Accordingly, the Board is comprised of two independent members, being Messrs. Toth and Starr..

2. *Directorships*

Certain directors hold directorships in other reporting issuers (public companies). Refer to Item 16 – *Directors and Executive Officers*.

3. *Orientation and Continuing Education*

The Board of Directors will provide an overview of the Company's business activities, systems and business plan to all new directors. New director candidates will have free access to any of the Company'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 Company. The Directors will be 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 Company'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 Company'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 Company.

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 Company. Certain of the Directors of the Company 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 Company. 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 Company. As required, directors will recommend suitable candidates for consideration as members of the Board of Directors.

6. *Compensation*

The Board of Directors will review the compensation of its directors and executive officers annually. The Directors will determine compensation of directors and executive officers taking into account the Company's business ventures and the Company's financial position. See Item 17 – *Executive Compensation*.

7. *Other Board Committees*

The Company has established an Audit Committee as described above.

8. Assessments

The Board of Directors has not implemented a formal process for assessing its effectiveness. As a result of the Company's small size and the Company'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.

Item 20: Agent, Sponsor or Advisor

There is currently no Agent, Sponsor or advisor retained by the Application in connection with the Application. In connection with the Finco Financing, Clarus Securities Inc. ("**Clarus**") acting as lead agent, along with Eventus Capital Corp. and Canaccord Genuity Corp. (collectively with Clarus, the "**Agents**") were retained as Agents pursuant to an agency agreement dated December 9, 2020. For their services in connection with the Finco Financing, the Agents were paid (i) an aggregate of \$771,750 in cash fees and (ii) 1,514,800 non-transferable Broker Warrants (with an additional 28,700 Broker Warrants provided to another agent), each exercisable within two years of the Finco Financing to purchase one Finco share which can be exchanged for a Leviathan Share.

Item 21: Risk Factors

An investment in Leviathan should be considered highly speculative due to the nature of its activities and the present stage of its development. Leviathan 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. Leviathan will carry on the business currently carried on by FSX with respect to the Leviathan Projects. Investors should carefully consider the following risk factors. These risk factors are in addition to the risk factors disclosed elsewhere in this Application.

Leviathan's operations involve exploration and development and there is no guarantee that any such activity will result in commercial production of mineral deposits.

Leviathan's operations involve exploration and development and the development of Leviathan's 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 Leviathan's 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 Leviathan.

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 Leviathan's properties can be mined at a profit. Factors beyond the control of Leviathan 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.

Leviathan Management and Key Personnel.

Recruiting and retaining qualified personnel is critical to Leviathan's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. Leviathan believes that it will be successful in recruiting excellent personnel to meet its corporate objectives but, as Leviathan's business activity grows, it may require additional key financial, administrative and mining personnel. Although Leviathan believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success. In the event that Leviathan 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.

Leviathan's prospecting activities will be dependent upon the grant and renewal of appropriate mineral tenures. Although Leviathan 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 Leviathan's granted mineral tenements are within the external boundaries of native title claims, native title determinations and ILUAs, Leviathan will need to comply with these native title requirements. The failure to comply with these requirements could adversely affect Leviathan's mineral tenements and its exploration and mining activities thereon.

No Assurance of Title.

While FSX has taken and Leviathan will take all reasonable steps to attempt to ensure that proper title to the Leviathan 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 Leviathan Projects will not be challenged or impugned. Leviathan'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 Leviathan does complete the required exploration activities on the Leviathan 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.

Leviathan will be subject to government regulation.

Leviathan'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 Leviathan's operations or requiring corrective measures, any of which could result in Leviathan 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 Leviathan exploring and developing its projects and could result in higher costs.

Leviathan may be subject to disputes.

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

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 Leviathan.

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 Leviathan and the price of the Leviathan Shares.

Environmental Regulation can be Onerous.

Leviathan's 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 Leviathan's operations. Environmental hazards may exist on the properties in which Leviathan 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 Leviathan's operations. To the extent such approvals are required and not obtained, Leviathan 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 Leviathan 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 Leviathan will hold an interest or on properties that may be subsequently acquired by Leviathan which are unknown and which have been caused by previous or existing owners or operators of the properties. In such event, Leviathan may be required to remediate these properties and the costs of remediation could be substantial. Further, in such circumstances, Leviathan may not be able to claim indemnification or contribution from other parties. In the event Leviathan was required to undertake and fund significant remediation work, such event could have a material adverse effect upon Leviathan and the value of its securities.

Operating hazards and risks could affect Leviathan's financial condition.

Mineral exploration, development and production are subject to many conditions that are beyond the control of Leviathan. 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 Leviathan or the value of its securities.

While it is anticipated that Leviathan will maintain insurance against risks which are typical in the mining industry, insurance against certain risks to which Leviathan may be exposed may not be available on commercially reasonable terms, or at all. Further, in certain circumstances, Leviathan might elect not to insure itself against such liabilities due to high premium costs or for other reasons. Should Leviathan 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 Leviathan and the value of its securities.

Competition for new mining properties by larger, more established companies may prevent Leviathan 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 Leviathan, Leviathan may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that Leviathan will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

Certain directors of Leviathan 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 Leviathan.

Certain of the directors of Leviathan 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 Leviathan may participate, the directors or officers of Leviathan may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with Leviathan for the acquisition of mineral property rights. These interlocking directorships and executive positions may make it more difficult for Leviathan to negotiate participation in additional ventures on satisfactory terms or may make such participation relatively more expensive.

No Assurance that Leviathan Shares will be listed on any Stock Exchange.

Leviathan is a reporting issuer in the Province of Alberta but there will be no liquid trading market or listing for the Leviathan Shares nor will Leviathan hold any assets or cash. The value of Leviathan is dependent on the ability to obtain a listing on the TSXV of the Leviathan Shares. Accordingly, if this event do not occur, the value of the Leviathan Shares and the ability to monetize the Leviathan Shares will be materially and adversely affected.

The restrictions on transfer and resale imposed by the TSX Venture Exchange on the Leviathan Shares distributed to FSX shareholders may make it more difficult for FSX shareholders to monetize their Leviathan Shares in an expedient manner or when market conditions are favourable.

The Leviathan Shares issued to FSX shareholders pursuant to the Arrangement are subject to restrictions on resale/transfer imposed by the TSX Venture Exchange pursuant to a Tier 2 Value Security Escrow Agreement, with such shares to be released as to 10% upon the issuance by the TSXV of the Exchange Bulletin and thereafter released in 15% increments every 6 months.

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

Negative Cash Flow from Operating Activities.

On a carve-out basis, the Leviathan Projects have no history of earnings and had negative cash flow from operating activities since inception. The Leviathan Projects are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration program on the Leviathan Projects are exploratory in nature. Significant capital investment will be required to define mineral resources and reserves, and achieve commercial production from the Leviathan Projects. There is no assurance that production from the Leviathan Projects will ever generate earnings, operate profitably or provide a return on investment in the future. Accordingly, Leviathan 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 Leviathan Shares will be subject to market trends generally, notwithstanding any potential success of Leviathan. The value of the Leviathan Shares will be affected by such volatility.

Limited Operating History.

Leviathan 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. Leviathan 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 Leviathan Projects. There is no assurance that Leviathan will be able to raise the required funds to continue these activities.

Additional Requirements for Capital.

Substantial additional financing will be required if Leviathan is to be successful in pursuing its ultimate strategy. No assurances can be given that Leviathan 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 Leviathan, if at all. If Leviathan 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 Leviathan Projects, incur financial penalties, or reduce or terminate its operations.

Dependence on Outside Parties.

Leviathan 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 Leviathan.

Leviathan will not insure against all risks.

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

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. Leviathan is a reporting issuer in the province of Alberta but does not have any liquid trading market nor will Leviathan own any assets. 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.

General.

Although Leviathan believes that the above risks fairly and comprehensibly illustrate all material risks facing Leviathan, the risks noted above do not necessarily comprise all those potentially faced by Leviathan as it is impossible to foresee all possible risks.

Item 22: Promoters

Fosterville South Exploration Ltd. is a promoter of the Company.

Item 23: Legal Proceedings and Regulatory Actions

Regulatory Actions

There have been no: (i) penalties or sanctions imposed against Leviathan 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 Leviathan; and (iii) settlement agreements Leviathan 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 Leviathan is a party or in respect of which any of the assets of Leviathan are subject, which are or will be material to Leviathan, and Leviathan is not aware of any such proceedings that are contemplated.

Item 24: Interests of Management and Others in Material Transactions

Except as disclosed in this Application, none of the directors or executive officers of Leviathan 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 Leviathan's 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 Leviathan.

Item 25: Investor Relations Arrangements

Leviathan has engaged Highland Contact Ltd. (“**Highland**”). Highland is a Vancouver based corporate communications firm that assists issuers with, among other things, investor relations. Pursuant to the terms of the contract between Highland and Leviathan, Highland will provide investor relation services to Leviathan. Leviathan will pay Highland \$7,000 per month and has agreed to grant 425,000 Leviathan Options pursuant to the Management and Consultant Option Issuances. The agreement with Highland is for a term of 12 months.

Item 26: Auditors, Transfer Agents and Registrars

Auditors

The auditors of Leviathan are Davidson & Company LLP, Chartered Professional Accountants. Davidson & Company LLP report they are independent of Leviathan 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, is the registrar and transfer agent for the Leviathan Shares and the Subscription Receipt Agent pursuant to the Finco Financing.

Item 27: Material Contracts

The only contracts entered into by Leviathan that materially affect Leviathan or to which it will become a party on or prior to the date of this Application that can reasonably be regarded as material to a proposed investor in the Leviathan Shares, other than contracts entered into in the ordinary course of business, are the Arrangement Agreement, Amalgamation Agreement, Purchase Agreement and pursuant to the Finco Financing, the subscription receipt indenture and agency agreement.

The Arrangement Agreement is currently available on SEDAR under FSX’s profile as Schedule C to the Circular, and the Amalgamation Agreement, Purchase Agreement, subscription receipt indenture and agency agreement are available on Leviathan’s SEDAR profile.

Item 28: Experts

Information relating to the Leviathan Projects in this Application is derived from the technical report prepared for the Applicant’s benefit after completion of the Arrangement, the Amalgamation and the transactions contemplated by the Purchase Agreement effectively dated August 10, 2020, and prepared by Stuart Hutchin (BSc, MAIG) of Mining One Pty Ltd. and has been included in reliance on such persons’ expertise. To the Applicant’s knowledge, Mr. Hutchin is a “qualified person” as such term is defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators. As at the date hereof, Mr. Hutchin does not beneficially own any securities of Leviathan.

Item 29: Other Material Facts

Not applicable.

Item 30: Additional Information - Mining Applicants

See Item 5 – “*Description of Business*”

Item 31: Exemptions

Not applicable.

Item 32: Financial Statement Disclosure for Issuers

The Leviathan Carve-out Financial Statements and the Leviathan Financial Statements for the period from incorporation to June 30, 2020 and for the period ended September 30, 2020 , respectively are attached hereto as Schedule B and Schedule C, and the Leviathan *Pro-forma* Financial Statements for the period ended September 30, 2020 are attached hereto as Schedule D.

Item 33: Significant Acquisitions

The Applicant has not completed any significant acquisition requiring disclosure under this item.

Item 34: Certificates

Certificate of Applicant

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Application and of any material fact not otherwise required to be disclosed under an item of this Application.

Dated January 29, 2021

"Luke Norman"

Luke Norman, Chief Executive Officer

"Jonathan Richards"

Jonathan Richards, Chief Financial Officer

"Russell Starr"

Russell Starr, Director

"Krisztian Toth"

Krisztian Toth, Director

Acknowledgment - Personal Information

The Applicant hereby represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the Exchange of the Personal Information contained in or submitted pursuant to this Application for the purposes described in Appendix "A" to this Application.

"Jonathan Richards"

Jonathan Richards, Chief Financial Officer

APPENDIX “A” FORM 2B PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including TSX Venture Exchange and Toronto Stock Exchange, (collectively referred to as the “Exchange”) collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals’ involvement with any other reporting issuers
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

- (a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;
- (b) on the Exchange’s website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and
- (c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers for the purposes described above.

Questions

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

Schedule A: 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 November 17, 2020.

Schedule B: 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
	<u>\$ 701,563</u>
LIABILITIES AND EQUITY	
Current	
Accounts payable	\$ 24,755
Promissory note payable (Note 6)	<u>701,563</u>
	726,318
Deficit	
Accumulated other comprehensive income	545
Capital contribution	59,779
Deficit	<u>(85,079)</u>
	(24,755)
	<u>\$ 701,563</u>

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	<u>28,360</u>
Loss for the period	(85,079)
Items that may subsequently be reclassified to loss	
Exchange difference on translation of foreign operations	<u>545</u>
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	\$ <u>(85,079)</u>
Changes in non-cash working capital items:	
Accounts payable	<u>25,300</u>
Cash used in operating activities	<u>(59,779)</u>
CASH FLOWS FROM FINANCING ACTIVITY	
Capital contributions	<u>59,779</u>
Cash provided by financing activities	<u>59,779</u>
Change in cash for the period	-
Cash, beginning of the period	<u>-</u>
Cash, end of the period	\$ <u>-</u>

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)

	<u>Period from project acquisition on April 19, 2020 to June 30, 2020</u>
Balance, April 19, 2020	\$ -
Transfers from owner, net	59,779
Accumulated other comprehensive income	545
Loss for the period	<u>(85,079)</u>
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. Fosterville’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:

<i>Exploration Expenditures</i>	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	<u>701,563</u>

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.

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.

Avoca and Timor Project Carve-Out

CARVE-OUT CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

Avoca and Timor Project Carve-Out

Carve-Out Condensed Interim Statement of Financial Position

As at

(Expressed in Canadian Dollars)

(Unaudited)

	<u>September 30, 2020</u>	<u>June 30, 2020</u>
ASSETS		
Non-current assets		
Exploration and evaluation assets (Note 5)	\$ <u>728,997</u>	\$ <u>701,563</u>
	<u>\$ 728,997</u>	<u>\$ 701,563</u>
LIABILITIES AND EQUITY		
Current		
Accounts payable	\$ 4,413	\$ 24,755
Promissory note payable (Note 6)	<u>728,997</u>	<u>701,563</u>
	733,410	726,318
Deficit		
Accumulated other comprehensive income	(1,258)	545
Capital contribution	121,370	59,779
Deficit	<u>(124,525)</u>	<u>(85,079)</u>
	<u>(4,413)</u>	<u>(24,755)</u>
	<u>\$ 728,997</u>	<u>\$ 701,563</u>

Nature and continuance of operations (Note 2)

Approved and authorized by the Board on January 29, 2021

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 condensed interim carve-out condensed interim financial statements.

Avoca and Timor Projects Carve-Out

Carve-Out Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three-month period ended September 30, 2020
EXPENSES	
Exploration and evaluation expenditures (Note 5)	\$ 26,297
General and administrative expenditures	<u>13,149</u>
Loss for the period	(39,446)
Items that may subsequently be reclassified to loss	
Exchange difference on translation of foreign operations	<u>(1,803)</u>
Loss and comprehensive loss for the period	<u>\$ (41,249)</u>

The accompanying notes are an integral part of these carve-out condensed interim financial statements.

Avoca and Timor Projects Carve-Out

Carve-Out Condensed Interim Statement of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Three-month period ended September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the period	\$ (39,446)
Changes in non-cash working capital items:	
Accounts payable	(21,267)
Cash used in operating activities	(60,713)
CASH FLOWS FROM FINANCING ACTIVITY	
Capital contributions	60,713
Cash provided by financing activities	60,713
Change in cash for the period	-
Cash, beginning of the period	-
Cash, end of the period	\$ -

There were no non-cash transaction during the three-month period ended September 30, 2020.

The accompanying notes are an integral part of these carve-out condensed interim financial statements.

Avoca and Timor Projects Carve-Out

Carve-out Condensed Interim Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Transfers from owner, net	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, April 19, 2020	\$ -	\$ -	\$ -	\$ -
Transfers from owner, net	59,779	-	-	59,779
Accumulated other comprehensive income	-	545	-	545
Loss for the period	-	-	(85,079)	(85,079)
Balance, June 30, 2020	59,779	545	(85,079)	(24,755)
Transfers from owner, net	61,591	-	-	61,591
Accumulated other comprehensive income	-	(1,803)	-	(1,803)
Loss for the period	-	-	(39,446)	(39,446)
Balance, September 30, 2020	\$ 121,370	\$ (1,258)	\$ (124,525)	\$ (4,413)

The accompanying notes are an integral part of these carve-out condensed interim financial statements.

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Condensed Interim Financial Statements

For the three-month period ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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”).

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 spun-out SpinCo, and the shareholders of Fosterville received one share of the SpinCo for each share of Fosterville held, resulting in Fosterville distributing 67,907,831 common shares of the Company.
- SpinCo and SpinCo Sub entered into an agreement to 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 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 raised \$12,908,000 via a subscription receipts financing at a price of \$0.50 per subscription receipt. \$12,061,705 is held in escrow pending the successful completion of the amalgamation, \$387,240 was released to FinCo, and \$459,055 was paid to towards agents’ commissions and expenses.
- 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 (including holders of subscription receipts) of FinCo.

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

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 (completed subsequent to period end) (ii) the approval by the shareholders of Fosterville in respect of the spin-out (completed subsequent to period end); and (iii) receipt of all requisite regulatory, TSXV, court or governmental authorizations and third party approvals or consents (all obtained other than approval of the TSXV for the listing).

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 Condensed Interim Financial Statements

For the three-month period ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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 raised \$12,908,000 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 condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB").

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 Condensed Interim Financial Statements

For the three-month period ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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. Fosterville’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 Condensed Interim Financial Statements

For the three-month period ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are the same as those applied in the Avoca and Timor Projects Carve-Out financial statements from project acquisition on April 19, 2020 to June 30, 2020. These condensed interim financial statements should be read in conjunction with the Avoca and Timor Projects Carve-Out financial statements for the period from project acquisition on April 19, 2020 to June 30, 2020.

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 Condensed Interim Financial Statements

For the three-month period ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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 Condensed Interim Financial Statements

For the three-month period ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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 Condensed Interim Financial Statements

For the three-month period ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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 Condensed Interim Financial Statements

For the three-month period ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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 staked one additional exploration license contiguous to the Avoca property.

Below is a summary of the changes in the exploration and evaluation assets for the three-month ended September 30, 2020 and period from project acquisition on April 19, 2020 to June 30, 2020:

	September 30, 2020	June 30, 2020
Balance, beginning of period	\$ 701,563	\$ -
Asset acquisition - licenses	-	347,232
Asset acquisition – Royalty buy-back	-	333,000
Foreign currency adjustment	27,434	21,331
Balance, end of period	\$ 728,997	\$ 701,563

During the three-month period ended September 30, 2020, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	Avoca Project	Timor Project	Total
Geological consulting and field expenditures	\$ 20,865	\$ 2,881	\$ 23,746
Permits and tenement management	2,551	-	2,551
	\$ 23,416	\$ 2,881	\$ 26,297

During the period from project acquisition on April 19, 2020 to June 30, 2020, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	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

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Condensed Interim Financial Statements

For the three-month period ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

6. PROMISSORY NOTE PAYABLE

SpinCo and SpinCo Sub entered into the Asset Purchase Agreement to acquire the Properties for their fair value of AUD\$764,081, which equalled the acquisitions costs incurred by Fosterville as described in note 5. The Company has recorded a promissory note payable equal to the acquisition costs. The promissory note payable does not incur interest and is due on completion of the Transaction.

Below is a summary of the changes in the promissory note payable for the three-month ended September 30, 2020 and period from project acquisition on April 19, 2020 to June 30, 2020:

	September 30, 2020 \$	June 30, 2020 \$
Balance, beginning of period	701,563	-
Initial recognition of promissory note payable	-	680,232
Foreign currency adjustment	27,434	21,331
Balance, end of period	728,997	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.

Avoca and Timor Projects Carve-Out

Notes to the Carve-Out Condensed Interim Financial Statements

For the three-month period ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

8. FINANCIAL INSTRUMENTS AND RISK (cont'd...)

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.

(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. SEGMENTED INFORMATION

As at September 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.

10. 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 C: Leviathan Gold Ltd. Financial Statements

(See attached)

Leviathan Gold Ltd

Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the period from incorporation on June 24, 2020 to June 30, 2020

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Leviathan Gold Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Leviathan Gold Ltd. (the "Company"), which comprise the consolidated statement of financial position as at June 30, 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from incorporation on June 24, 2020 to June 30, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the period from incorporation on June 24, 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 1 of the consolidated financial statements, which indicates that events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company'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 consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Company'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 Company'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 consolidated 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Leviathan Gold Ltd.

Consolidated Statement of Financial Position

(Expressed in Canadian dollars)

As at

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

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

Nature and continuance of operations (Note 1)

Subsequent event (Note 5)

Approved on Behalf of the Board on October 7, 2020:

 "Charles Hethey"

Charles Hethey - Director

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

Leviathan Gold Ltd.

Consolidated Statement of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

For the period from incorporation on June 24, 2020 to June 30, 2020

	Period from incorporation on June 24, 2020 to June 30, 2020	
Expenses	\$	-
Loss and Comprehensive Loss for the period	\$	-

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

Leviathan Gold Ltd.

Consolidated Statement of Changes in Shareholder's Equity
 For the Period from Incorporation June 24, 2020 to June 30, 2020
 (Expressed in Canadian dollars)

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

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

Leviathan Gold Ltd

Consolidated Statement of Cash Flows

For the Period from Incorporation June 24, 2020 to June 30, 2020

(Expressed in Canadian dollars)

	2020
Financing Activity:	
Share issued for cash	\$ 1
	1
Net change in cash for the period	1
Cash, beginning of the period	-
Cash, end of the period	\$ 1

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

Leviathan Gold Ltd

Notes to the Consolidated Financial Statements

For the Period from Incorporation June 24, 2020 to June 30, 2020

(Expressed in Canadian dollars)

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”). Refer to Note 5 for a description of the proposed transaction. The Company is a wholly owned subsidiary of Fosterville.

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 consolidated 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

The consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”).

The consolidated 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. (“SpinCo Sub”), incorporated in Australia on June 29, 2020.

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

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

Leviathan Gold Ltd

Notes to the Consolidated Financial Statements

For the Period from Incorporation June 24, 2020 to June 30, 2020

(Expressed in Canadian dollars)

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

a) 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.

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

c) 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 Consolidated Financial Statements

For the Period from Incorporation June 24, 2020 to June 30, 2020

(Expressed in Canadian dollars)

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

c) Financial instruments

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 Consolidated Financial Statements

For the Period from Incorporation June 24, 2020 to June 30, 2020

(Expressed in Canadian dollars)

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

Subsequent to the period end:

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"). 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 as described below. 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 the Company, and the shareholders of Fosterville will receive one share of the Company for each share of Fosterville held.
- Post completion of the spin-out, 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.
- 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 minimum of \$5,000,000, which will be held in escrow pending the successful completion of the transaction.
- 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 shares issued under the spin-out 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.

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, including the approval of the TSX Venture Exchange.



Leviathan Gold Ltd

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

For the three months ended September 30, 2020

Leviathan Gold Ltd.

Condensed Consolidated Interim Statement of Financial Position

(Expressed in Canadian dollars - Unaudited)

As at

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

Nature and continuance of operations (Note 1)

Subsequent event (Note 5)

Approved on Behalf of the Board on January 29, 2021:

"Luke Norman"
Luke Norman - Director

"Jonathan Richards"
Jonathan Richards - Director

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

Leviathan Gold Ltd.

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

(Expressed in Canadian dollars - Unaudited)

For the three months September 30, 2020

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

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)

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

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

Leviathan Gold Ltd

Condensed Consolidated Interim Statement of Cash Flows

For the three months ended September 30, 2020

(Expressed in Canadian dollars - Unaudited)

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

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)

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)

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

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

Significant judgements, estimates and assumptions

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

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

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

4 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, spun-out the Company (the "Transaction").

Leviathan Gold Ltd

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended September 30, 2020

(Expressed in Canadian dollars - Unaudited)

5 SUBSEQUENT EVENT (cont'd...)

The spin-out completed on November 23, 2020 and Fosterville distributed 67,907,831 Company 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 of AUD\$764,081 and assume certain liabilities as described below. 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"). Following the successful acquisition and amalgamation (as described below), the Company will apply to list on the TSX Venture Exchange ("TSXV").

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 Fosterville distributing to its shareholders 67,907,831 common shares of the Company.
- FinCo will issue, prior to the amalgamation (see below), 6,000,000 common shares to the new management and board of FinCo ("**Founder Shares**").
- FinCo raised \$12,908,000, at a price of \$0.50 pursuant to the issuance of subscription receipts, of which \$12,061,705 is held in escrow pending the successful completion of the amalgamation, \$387,240 was released to FinCo, and \$459,055 was paid to towards agents' commissions and expenses.
- The Company has applied 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 (including subscription receipt holders) of FinCo.
- The Company entered into an agreement to 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 obligations of Fosterville and Currawong under the purchase agreement that Currawong first acquired the Properties.

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

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 (completed); and (ii) receipt of all requisite regulatory, TSXV, court or governmental authorizations and third party approvals or consents (all obtained other than TSXV approval for the listing).

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

Schedule D: 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)

September 30, 2020

Leviathan Gold Ltd.**Pro-Forma Consolidated Statement of Financial Position****(Unaudited – Prepared by Management) (Expressed in Canadian Dollars)**

	Leviathan Gold Ltd As at September 30, 2020	Leviathan Gold Finance Ltd As at September 30, 2020	Note	Pro-forma Adjustments	Pro-forma Consolidated As at September 30, 2020
	\$	\$		\$	\$
ASSETS					
Current					
Cash	1	1	3 (a) 3(b) 3 (c) 3 (d) 3 (e)	30,000 (2) 12,041,697 (728,997) (250,000)	11,092,698
	<u>1</u>	<u>1</u>		<u>11,092,698</u>	<u>11,092,700</u>
Exploration and evaluation assets	-	-	3 (d)	728,997	728,997
	<u>1</u>	<u>1</u>		<u>11,821,695</u>	<u>11,821,697</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Promissory note payable	-	-	3(d) 3(d)	(728,997) 728,997	-
	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>
Shareholders' equity					
Share capital	1	1	3(a) 3(b) 3(c) 3(c) 3(e)	30,000 (2) 12,908,000 (1,268,867) (250,000)	11,419,133
Reserves	-	-	3(c) 3(g)	402,564 2,586,995	2,989,559
Deficit	-	-	3(g)	(2,586,995)	(2,586,995)
	<u>-</u>	<u>-</u>		<u>11,821,695</u>	<u>11,821,697</u>
	<u>1</u>	<u>1</u>		<u>11,821,695</u>	<u>11,821,697</u>

The accompanying notes are an integral part of these unaudited pro-forma consolidated financial statements.

Leviathan Gold Ltd.

Notes to the Pro-Forma Consolidated Financial Statements

(Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

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, spun-out its wholly-owned subsidiary, SpinCo with SpinCo's wholly-owned subsidiary Leviathan Gold (Australia) PTY Ltd ("SpinCo Sub"). It is assumed that SpinCo Sub will acquire certain assets from Fosterville's wholly owned subsidiary, Currawong Resources Pty Ltd. ("Currawong"), at fair value of AUD\$764,081 and assume certain liabilities as described below. 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"). Following the successful acquisition and amalgamation, the Company will apply to list on the TSX Venture Exchange ("TSXV").

As per the Arrangement Agreement:

- Fosterville spun-out SpinCo, and the shareholders of Fosterville received one share of SpinCo for each share of Fosterville held. The spin-out was completed subsequent to period end and the Company issued 67,907,831 shares.
- SpinCo and SpinCo Sub entered into an agreement to 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.
- FinCo will issue 6,000,000 common shares to the new management and board of FinCo.
- FinCo raised \$12,908,000 via a subscription receipts financing, at a price of \$0.50 of which \$12,061,705 is held in escrow pending the successful completion of the amalgamation, \$387,240 was released to FinCo, and \$459,055 was paid to towards agents' commissions and expenses.
- 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 (including holders of subscription receipts) of FinCo.

Leviathan Gold Ltd.

Notes to the Pro-Forma Consolidated Financial Statements

(Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

1 PROPOSED ARRANGEMENT (cont'd...)

(a) Arrangement Agreement (cont'd...)

The 67,907,831 common shares issued to Fosterville shareholders in the spinout are subject to a Tier 2 Value Security Escrow pursuant to the rules of the TSXV, with such common shares to be released as to 10% upon the issuance by the TSXV of the Exchange Bulletin and thereafter released in 15% increments every 6 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

(b) FinCo Financing

FinCo completed a subscription receipt financing for gross proceeds of \$12,908,000 at a price of \$0.50 per subscription receipt (the “Concurrent Financing”). Upon successful completion of the amalgamation each subscription receipt converts to one common share. The Company paid commissions totaling \$866,303 and issued 1,543,000 broker warrants valued at \$402,564. The fair value of the broker warrants are estimated on the grant date using the Black-Scholes option model with the following weighted average variables: risk-free interest rate of 0.27%, expected option life of 2 years, expected stock price volatility of 100% and expected dividend rate of 0%. Each broker warrant gives the holder the right to purchase one common share at an exercise price of \$0.50 and for a period of 24 months.

(c) Amalgamation Agreement

A wholly-owned subsidiary of SpinCo will amalgamate with FinCo. Each FinCo securityholder will receive one share of SpinCo for each common share or subscription receipt of Finco held.

(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 (completed subsequently); (ii) the approval by the shareholders of Fosterville in respect of the spin-out (completed subsequently); and (iii) receipt of all requisite regulatory, TSXV, court or governmental authorizations and third party approvals or consents (all obtained other than TSXV approval for the listing and the Asset Purchase Agreement).

Leviathan Gold Ltd.

Notes to the Pro-Forma Consolidated Financial Statements

(Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

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 September 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 and the three month period ended September 30, 2020.
- (b) FinCo’s audited financial statements for the period from incorporation on June 29, 2020 to June 30, 2020 and the three-month period ended September 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 and the three-month period ended September 30, 2020.
- (d) Fosterville’s interim consolidated financial statements for the period ended September 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 September 30, 2020.

Leviathan Gold Ltd.

Notes to the Pro-Forma Consolidated Financial Statements

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 September 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:

In connection with the transaction the Company completed the Concurrent Financing, raising gross proceeds of \$12,908,000 at a price of \$0.50 per subscription receipt. Upon closing of the private placement, the Company will issue 25,816,000 common shares. The Company paid commissions totaling \$866,303 and issued 1,543,000 broker warrants valued at \$402,564. The fair value of the broker warrants are estimated on the grant date using the Black-Scholes option model with the following weighted average variables: risk-free interest rate of 0.27%, expected option life of 2 years, expected stock price volatility of 100% and expected dividend rate of 0%. Each broker warrant gives the holder the right to purchase one common share at an exercise price of \$0.50 and for a period of 24 months from the date of listing of Spinco. 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 \$728,997 (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	728,997
Net assets acquired	\$
Exploration and evaluation assets	728,997

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.

Leviathan Gold Ltd.

Notes to the Pro-Forma Consolidated Financial Statements

Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

3 PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (cont'd...)

f. Fosterville common share issuances

The following Fosterville share issuance occurred subsequent to September 30, 2020 up to the date of the spin-out:

- i. Fosterville had 2,568,508 warrants exercised at \$2.00 and 204,286 agents warrants exercised at \$1.10.
- ii. Fosterville had 50,000 stock options exercised at \$0.40.

g. Stock Options

The Company granted 7,000,000 stock options subsequent to the spin out, of which, 425,000 vest over a period of 12 months. The stock options are exercisable at \$0.50 for a period of five years and were granted to directors, officers and consultants of the Company. The fair value of the stock options is estimated on the grant date using the Black-Scholes option model with the following weighted average variables: risk-free interest rate of 0.41%, expected option life of 5 years, expected stock price volatility of 100% and expected dividend rate of 0%. As a result, the Company recorded share-based payments of \$2,586,995.

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 September 30, 2020	1	1	-
Capital stock of Leviathan Finance as at September 30, 2020	1	1	-
Capital stock of Fosterville as at September 30, 2020	65,085,037	-	-
Exercise of Fosterville warrants (Note 3(f))	2,568,508	-	-
Exercise of Fosterville stock options (Note 3(f))	50,000	-	-
Exercise of Fosterville broker warrants (Note 3(f))	204,286	-	-
Leviathan Finance founders' shares	6,000,000	30,000	-
Cancellation of capital stock of Leviathan Gold and Leviathan Finance	(2)	(2)	-
Concurrent Financing (Note 3(c))	25,816,000	12,908,000	-
Financing fees (Note 3(c))	-	(1,268,867)	402,564
Share-based payments (Note 3(g))	-	-	2,586,995
Balance, September 30, 2020	99,723,831	11,419,133	2,989,559

Leviathan Gold Ltd.

Notes to the Pro-Forma Consolidated Financial Statements

Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

4 CAPITAL STOCK AND RESERVES (cont'd...)

Warrants:

The pro-forma number of warrants outstanding subsequent to the Arrangement Agreement is:

Number of Warrants	Weighted Average Exercise Price	Expiry Date
454,440	\$ 0.50	December 9, 2022
1,089,060	\$ 0.50	December 10, 2022

Stock options

The pro-forma number of stock options outstanding subsequent to the Arrangement Agreement is:

Number of Warrants	Weighted Average Exercise Price	Expiry Date
7,000,000	\$ 0.50	January 29, 2026

Escrow

The 67,907,831 common shares issued to Fosterville shareholders in the spinout and the 6,000,000 FinCo founders' common shares are subject to a Tier 2 Value Security Escrow pursuant to the rules of the TSXV, with such common shares to be released as to 10% upon the issuance by the TSXV of the Exchange Bulletin and thereafter released in 15% increments every 6 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

5 PRO-FORMA EFFECTIVE INCOME TAX RATE

The pro-forma effective income tax rate that will be applicable to the consolidated operations of Leviathan is 22%.

Schedule E: Leviathan Audit Committee Charter

(See attached)

I. MANDATE

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Leviathan Gold 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.