



Leviathan Gold Ltd

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

For the three months ended September 30, 2023

NOTICE TO READER

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

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

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

	September 30, 2023	June 30, 2023
ASSETS		
Current		
Cash	\$ 3,557,042	\$ 3,913,925
Receivables and prepaid expenses (Note 4)	<u>65,124</u>	<u>68,455</u>
	3,622,166	3,982,380
Equipment (Note 5)	14,160	19,854
Exploration and evaluation assets (Note 6)	<u>666,508</u>	<u>673,461</u>
	<u>\$ 4,302,834</u>	<u>\$ 4,675,695</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 8)	<u>\$ 95,306</u>	<u>\$ 184,490</u>
Shareholders' equity		
Share capital (Note 7)	11,608,840	11,608,840
Contributed surplus (Note 7)	2,990,654	2,990,654
Accumulated other comprehensive loss	(180,810)	(149,209)
Deficit	<u>(10,211,156)</u>	<u>(9,959,080)</u>
	<u>4,207,528</u>	<u>4,491,205</u>
	<u>\$ 4,302,834</u>	<u>\$ 4,675,695</u>

Nature and continuance of operations (Note 1)

Approved on Behalf of the Board on November 16, 2023:

"Luke Norman"
Luke Norman - Director

"Jonathan Richards"
Jonathan Richards - Director

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

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

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

For the three-month period ended	September 30, 2023	September 30, 2022
EXPENSES		
Depreciation (Note 5)	\$ 5,384	\$ 19,961
Director Fees (Note 8)	6,250	7,500
Exploration costs (Note 6)	109,800	143,838
Foreign exchange	3	240
Investor relations	21,000	28,000
Management fees (Note 8)	82,500	82,500
Marketing and shareholder communications	8,266	7,994
Office and administrative expenses	9,703	10,743
Professional fees (Note 8)	32,732	23,262
Share-based payments (Note 7)	-	4,540
Transfer agent and filing fees	9,382	2,033
Travel	952	13,923
	<u>(285,972)</u>	<u>(344,534)</u>
Gain on sale of equipment (Note 5)	707	-
Other Income	812	-
Interest income	<u>32,377</u>	<u>30,526</u>
Loss for the period	(252,076)	(314,008)
Other comprehensive loss		
Items that will not be reclassified to profit and loss:		
Exchange difference on translation of foreign operations	<u>(31,601)</u>	<u>(1,993)</u>
Comprehensive loss for the period	\$ (283,677)	\$ (316,001)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding – basic and diluted	19,944,764	19,944,764

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

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

For the three-month period ended	September 30, 2023	September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (252,076)	\$ (314,008)
Items not involving cash:		
Gain on sale of equipment	(707)	-
Depreciation	5,384	19,961
Share-based payments	-	4,540
Non-cash working capital item changes:		
Prepaid expenses	10,311	(7,052)
Receivables	(6,980)	71,913
Accounts payable and accrued liabilities	<u>(89,184)</u>	<u>(46,738)</u>
Net cash used in operating activities	<u>(333,252)</u>	<u>(271,384)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment disposals	<u>964</u>	<u>-</u>
Net cash used in investing activities	<u>964</u>	<u>-</u>
Change in cash for the period	(332,288)	(271,384)
Foreign exchange	(24,595)	(1,137)
Cash, beginning of period	<u>3,913,925</u>	<u>5,014,313</u>
Cash, end of period	<u>\$ 3,557,042</u>	<u>\$ 4,741,792</u>

There were no material non-cash transactions during the periods ended September 30, 2023 and 2022. No cash was paid for interest or taxes for the periods ended September 30, 2023 and 2022.

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

LEVIATHAN GOLD LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Number	Amount	Contributed Surplus	Accumulated Comprehensive Loss	Deficit	Total
Balance, June 30, 2022	19,944,764	\$ 11,608,840	\$ 2,986,114	\$ (145,651)	\$ (8,616,121)	\$ 5,833,182
Share-based payments	-	-	4,540	-	-	4,540
Comprehensive loss for the period	-	-	-	(1,993)	(314,008)	(316,001)
Balance, September 30, 2022	19,944,764	\$ 11,608,840	\$ 2,990,654	\$ (147,644)	\$ (8,930,129)	\$ 5,521,721
Balance, June 30, 2023	19,944,764	\$ 11,608,840	\$ 2,990,654	\$ (149,209)	\$ (9,959,080)	\$ 4,491,205
Comprehensive loss for the period	-	-	-	(31,601)	(252,076)	(283,677)
Balance, September 30, 2023	19,944,764	\$ 11,608,840	\$ 2,990,654	\$ (180,810)	\$ (10,211,156)	\$ 4,207,528

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 PERIOD ENDED SEPTEMBER 30, 2023

(Unaudited – Prepared by Management)

(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 is principally engaged in the acquisition and exploration of resource properties in Victoria, Australia. The Company’s shares are publicly traded on TSX Venture Exchange (“TSXV”) under the symbol LVX.

The address of its head office is located at Suite 1507-1030 West Georgia Street, Vancouver, British Columbia, Canada V6E 2Y3. The Company’s registered and records office is 2900-550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0A3.

Subsequent to the period ended September 30, 2023, the Board of directors authorized a 5-for-1 share consolidation. The number of issued and outstanding shares, options, warrants and per share amounts have been retrospectively restated for all periods presented unless otherwise stated.

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 incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

2 BASIS OF PREPARATION

Statement of compliance

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”).

Basis of measurement

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.

Basis of consolidation

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

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

2 BASIS OF PREPARATION (cont'd...)**Basis of 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.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars. The Company and 1274996 B.C Ltd have a functional currency of Canadian dollar (CAD) and Leviathan Australia has a functional currency of Australian dollar (AUD).

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to the valuation of deferred income tax amounts and calculation of share-based payments, which are discussed below:

Deferred income tax

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Share-based payments

Share-based payments and compensation are subject to estimation of the value of shares and options issued for non-cash consideration. The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted or issued. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The most significant judgments relate to the functional currency of the Company and its subsidiaries and impairment of exploration and evaluation assets, which are discussed below:

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

2 BASIS OF PREPARATION (cont'd...)**Significant accounting judgments and estimates (cont'd...)***Impairment of exploration and evaluation assets*

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project. If any indication of impairment exists, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds recoverable amount. The recoverable amount is measured at the higher of fair value less cost to sell and value in use. Management has assessed these indicators and does not believe an impairment provision is required for the period ended September 30, 2023.

Determination of functional currency

The functional currencies of the Company and its subsidiaries are outlined in the Functional and presentation currency section above. The determination of functional currency involves certain judgments to determine the primary economic environment. The Company reconsiders the functional currency if there are changes in events and conditions impacting the factors used in the determination of the primary economic environment.

3 SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are the same as those applied in the Company's consolidated financial statements for the year ended June 30, 2023. These condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended June 30, 2023.

4 RECEIVABLES AND PREPAID EXPENSES

	September 30, 2023		June 30, 2023	
Goods and service tax ("GST") receivable	\$	39,502	\$	32,522
Prepayments		<u>25,622</u>		<u>35,933</u>
Total	\$	65,124	\$	68,455

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

(Unaudited – Prepared by Management)

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5 EQUIPMENT

	Equipment	Computers	Vehicles	Total
Cost				
Balance at June 30, 2022	\$ 116,372	\$ 14,827	\$ 107,073	\$ 238,272
Disposals	(56,251)	-	(106,134)	(162,385)
Foreign Exchange	(1,021)	(131)	(939)	(2,091)
Balance at June 30, 2023	59,100	14,696	-	73,796
Disposals	-	(1,561)	-	(1,561)
Foreign Exchange	(610)	(151)	-	(761)
Balance at September 30, 2023	58,490	12,984	-	71,474
Accumulated depreciation				
Balance at June 30, 2022	45,409	8,657	26,311	80,377
Depreciation	29,740	3,441	8,661	41,842
Disposals	(32,822)	-	(35,338)	(68,160)
Foreign exchange	(329)	(154)	366	(117)
Balance at June 30, 2023	41,998	11,944	-	53,942
Depreciation	5,012	372	-	5,384
Disposals	-	(1,345)	-	(1,345)
Foreign exchange	(571)	(96)	-	(667)
Balance at September 30, 2023	\$ 46,439	\$ 10,875	\$ -	\$ 57,314
Carrying amount				
As at June 30, 2023	\$ 17,102	\$ 2,752	\$ -	\$ 19,854
As at September 30, 2023	\$ 12,051	\$ 2,109	\$ -	\$ 14,160

6 EXPLORATION AND EVALUTATION ASSETS

During the year ended June 30, 2021, Leviathan Australia entered into an agreement to acquire exploration properties, known as the Avoca and Timor Projects and certain other tenements, from Fosterville's wholly owned subsidiary, Currawong. The Company agreed to acquire the exploration properties for \$747,424 (AUD\$764,081) and assume the underlying obligations as per the original purchase agreement when Currawong acquired the Properties.

The underlying obligations are due to Mercator Gold Australia Pty. Ltd. ("Mercator"), a subsidiary of Alternative Investment Market-listed ECR Minerals PLC. The Company will 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.

On July 17, 2023, the Company entered into a Heads of Agreement ("HOA") with Core Prospecting Pty. Ltd. ("Core"), a private Australian mining contractor, under which Core may earn up-to a 100% interest in a three square-kilometer area within the Excelsior exploration licence. Core can earn an initial 75% in two phases:

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

6 EXPLORATION AND EVALUTATION ASSETS (cont'd...)

- Phase 1 – Core may earn an initial 40% interest by completing 2,000 metres of diamond drilling by January 17, 2024.
- Phase 2 - Core may earn an additional 35% interest in by either:
 - I. Completing an additional 4,000 metres of diamond drilling and by preparing an independent JORC (Joint Ore Reserve Committee) report identifying at least indicated or measured mineral resource within 12 months from the completion of phase 1; or
 - II. In lieu of completing further drilling, Core may prepare a JORC report (the “Jorc Report”) containing indicated and measured mineral resources of not less than 50,000 ounces of gold at a cut-off grade of 2.5 grams per tonne (g/t) gold (Au).

Core will be responsible for all of the costs incurred related to Phase 1 and 2. If Core fails to complete phase 2, it shall forfeit any interest earned under phase 1.

Upon Core attaining a 75% equity interest, the Company may either:

- I. Contribute its share of costs and maintain its equity interest, or
- II. Be diluted pro rata to a minimum carried interest of 5%, which Core shall purchase from Leviathan for the sum of AUD\$150 per ounce of indicated and measured mineral resources, as estimated in the JORC report, payable upon commencement of gold production.

Alternatively, within 12 months of the completion of phase 2 Core may purchase the Company’s remaining interest for the sum of AUD\$75 per ounce of indicated and measured mineral resources in the JORC report, or Core may, within 12 months of the completion of phase 2, purchase Leviathan's the remaining interest by paying instalments of AUD\$25,000 per quarter, increasing to AUD\$75,000 per quarter, commencing from the date on which a new tenement is granted and continuing for the life of any gold production mine on the license.

The HOA also provides that the Company may claw back Core's equity stake for the sum of AUD\$200 per metre drilled, or, after receipt of the JORC report, for AUD\$150 per ounce of gold mineralization estimated and classified as an indicated mineral resource and a measured mineral resource in the JORC report.

Below is a summary of the changes in the exploration and evaluation assets for the period ended September 30, 2023:

	September 30, 2023		June 30, 2023	
Balance, beginning of period	\$	673,461	\$	679,241
Foreign exchange		(6,953)		(5,780)
Balance, end of period	\$	666,508	\$	673,461

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

6 EXPLORATION AND EVALUTATION ASSETS (cont'd...)

During the period ended September 30, 2023, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	Avoca Project	Timor Projects	Total
Data compilation	\$ 426	\$ -	\$ 426
Field expenditures	3,425	3,269	6,694
Geological consulting	16,771	7,398	24,169
Project management	22,500	22,500	45,000
Salaries and wages	9,745	6,897	16,642
Tenement administration & fees	7,414	9,455	16,869
	<u>\$ 60,281</u>	<u>\$ 49,519</u>	<u>\$ 109,800</u>

During the period ended September 30, 2022, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	Avoca Project	Timor Projects	Total
Assay	\$ 4,487	\$ -	\$ 4,487
Data compilation	508	508	1,016
Field expenditures	12,266	12,266	24,532
Geological consulting	15,388	15,388	30,776
Project management	22,500	22,500	45,000
Salaries and wages	18,408	15,560	33,968
Tenement administration & fees	2,512	1,322	3,834
Travel	111	114	225
	<u>\$ 76,180</u>	<u>\$ 67,658</u>	<u>\$ 143,838</u>

7 SHARE CAPITAL**Authorized**

Unlimited number of common shares without par value.

Issued and outstanding

During the period ended September 30, 2023 and during the year ended June 30, 2023, the Company did not issue any common shares.

Escrowed shares

As at September 30, 2023, the Company has 2,217,235 common shares subject to escrow release restrictions and will be released on February 10, 2024.

Stock options and warrants

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company.

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

8 SHARE CAPITAL (cont'd...)**Stock options and warrants (cont'd...)**

Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years with vesting determined by the board of directors.

During the period ended September 30, 2023, the Company did not grant any stock options to directors, officers or consultants of the Company. Total share-based payments expense recognized in the statement of loss and comprehensive loss for the period ended September 30, 2023 was \$Nil (2022 - \$4,540) for options vested. This amount was also recorded as contributed surplus on the statement of financial position.

During the period ended September 30, 2023, the Board of directors authorized a 5-for-1 share consolidation. The number of issued and outstanding shares, options, warrants, and per share amounts have been retrospectively restated for all periods presented unless otherwise stated.

The changes in the stock options and share purchase warrants for the period ended September 30, 2023, are as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Outstanding, June 30, 2022	1,400,000	2.50	308,700	2.50
Cancelled	(200,000)	2.50	(308,700)	2.50
Balance, outstanding and exercisable, June 30, 2023 and September 30, 2023	1,200,000	2.50	-	-

The balance of stock options and share purchase warrants outstanding as at September 30, 2023 was as follows:

Expiry Date	Number Outstanding	Number Exercisable	Exercise Price - \$	Remaining Life (Years)
Stock options				
January 29, 2026	1,200,000	1,200,000	2.50	2.33

8 RELATED PARTY TRANSACTIONS

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

The Company entered into the following transactions with related parties, not disclosed elsewhere in these consolidated financial statements:

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

8 RELATED PARTY TRANSACTIONS (cont'd...)

	September 30, 2023	September 30, 2022
Director fees	\$ 6,250	\$ 7,500
Professional fees	22,563	22,500
Exploration costs	45,000	45,000
Management fees	82,500	82,500
	<u>\$ 156,313</u>	<u>\$ 157,500</u>

As at September 30, 2023, \$31,250 (June 30, 2023 - \$112,221) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to professional fees and reimbursement of expenses.

9 SEGMENT INFORMATION

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

10 FINANCIAL AND CAPITAL RISK MANAGEMENT

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

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

The carrying value of cash, receivables and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash, receivables, accounts payable and accrued liabilities are classified as amortized cost.

Risk management

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

Credit risk

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

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

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

LEVIATHAN GOLD LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

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

Risk management (cont'd...)

Liquidity risk

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

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

Market risk

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

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. As at June 30, 2023, the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The Company is subject to foreign currency risk on financial instruments denominated in currencies other than the Canadian Dollar. The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables and prepaid expenses, and accounts payable and accrued liabilities that are denominated in the Australian dollar or the United States dollar. As these exchange rates fluctuate against the Canadian Dollar, the Company will experience foreign exchange gains and losses. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

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

Capital management.

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

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

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