



Leviathan Gold Ltd

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

For the three and nine months ended March 31, 2022

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

	March 31, 2022	June 30, 2021
ASSETS		
Current		
Cash	\$ 5,430,101	\$ 8,177,550
Receivables and prepaid expenses (Note 5)	<u>189,107</u>	<u>225,911</u>
	5,619,208	8,403,461
Equipment (Note 6)	183,784	214,268
Exploration and evaluation assets (Note 7)	<u>715,485</u>	<u>710,213</u>
	<u>\$ 6,518,477</u>	<u>\$ 9,327,942</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7 and 9)	<u>\$ 230,559</u>	<u>\$ 443,651</u>
Shareholders' equity		
Share capital (Note 8)	11,608,840	11,608,840
Contributed surplus (Note 8)	2,971,867	2,308,663
Accumulated other comprehensive income	(94,048)	(70,551)
Deficit	<u>(8,198,741)</u>	<u>(4,962,661)</u>
	<u>6,287,918</u>	<u>8,884,291</u>
	<u>\$ 6,518,477</u>	<u>\$ 9,327,942</u>

Nature and continuance of operations (Note 1)

Approved on Behalf of the Board on May 20, 2022:

"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 months ended March 31, 2022	For the three months ended March 31, 2021	For the nine months ended March 31, 2022	For the nine months ended March 31, 2021
EXPENSES				
Consulting fees	\$ -	\$ 9,611	\$ -	\$ 16,611
Depreciation (Note 6)	17,156	1,313	51,280	1,313
Director Fees (Note 9)	-	12,500	37,500	12,500
Exploration costs (Note 7)	275,869	601,975	1,870,905	631,975
Foreign exchange	521	3,727	1,352	4,822
Investor relations	21,000	172,602	63,000	172,602
Management fees (Note 9)	82,500	82,500	247,500	137,500
Marketing and shareholder communications	8,311	205,973	36,178	231,711
Office and administrative expenses	16,658	17,993	67,990	23,882
Professional fees (Note 9)	34,744	60,308	108,876	76,295
Share-based payments (Note 8)	80,352	1,263,990	663,204	1,263,990
Transfer agent and filing fees	8,889	38,174	15,804	38,174
Travel	<u>22,682</u>	<u>14,003</u>	<u>86,579</u>	<u>14,003</u>
Loss from operations	(568,682)	(2,484,669)	(3,250,168)	(2,625,378)
Other Income	-	-	106	-
Interest Income	<u>4,500</u>	<u>-</u>	<u>13,982</u>	<u>-</u>
Loss for the period	(564,182)	(2,484,669)	(3,236,080)	(2,625,378)
Other comprehensive loss				
Exchange difference on translation of foreign operations	<u>(3,606)</u>	<u>(35,692)</u>	<u>(23,497)</u>	<u>(35,692)</u>
Comprehensive loss for the period	\$ (567,788)	\$ (2,520,361)	\$ (3,259,577)	\$ (2,661,070)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.03)	\$ (0.06)	\$ (0.07)
Weighted average number of common shares outstanding – basic and diluted	99,723,831	88,057,963	53,792,811	38,482,471

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 nine-month period ended	March 31, 2022	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (3,236,080)	\$ (2,625,378)
Items not involving cash:		
Depreciation	51,280	1,313
Share-based payments	663,204	1,263,990
Non-cash working capital item changes:		
Prepaid expenses	(2,420)	(362,437)
Receivables and prepaid expenses	39,224	(93,698)
Accounts payable and accrued liabilities	<u>(213,092)</u>	<u>344,719</u>
Net cash used in operating activities	<u>(2,697,884)</u>	<u>(1,471,491)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment acquisition costs	<u>(19,753)</u>	<u>(150,134)</u>
Net cash used in investing activities	<u>(19,753)</u>	<u>(150,134)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amalgamation with FinCo (Note 4)	-	12,065,336
Advances received from FinCo, net (Note 4)	-	325,403
Issuance cost	<u>-</u>	<u>(378,700)</u>
Net cash provided by financing activities	<u>-</u>	<u>12,012,039</u>
Change in cash for the period	(2,717,637)	10,390,414
Foreign exchange	(29,812)	(16,456)
Cash, beginning of period	<u>8,177,550</u>	<u>1</u>
Cash, end of period	\$ 5,430,101	\$ 10,373,959

There were no material non-cash transactions during the period ended March 31, 2022. No cash was paid for interest or taxes for the period ended March 31, 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, 2020	1	\$ 1	\$ -	\$ -	\$ -	1
Share distribution on spin-out	67,907,830	-	-	-	-	-
Amalgamation with FinCo	31,816,000	12,390,739	-	-	-	12,390,739
Share Issuance Costs	-	(949,157)	570,457	-	-	(378,700)
Share-split	-	-	1,263,990	-	-	1,263,990
Loss for the period	-	-	-	(35,692)	(2,625,378)	(2,661,070)
Balance, March 31, 2021	99,723,831	11,441,583	1,834,447	(35,692)	(2,625,378)	10,614,960
Share issuance costs	-	167,257	(167,257)	-	-	-
Share-based payments	-	-	641,473	-	-	641,473
Loss for the period	-	-	-	(34,859)	(2,337,283)	(2,372,142)
Balance, June 30, 2021	99,723,831	11,608,840	2,308,663	(70,551)	(4,962,661)	8,884,291
Share-based payments	-	-	663,204	-	-	663,204
Loss for the period	-	-	-	(23,497)	(3,236,080)	(3,259,577)
Balance, March 31, 2022	99,723,831	\$ 11,608,840	\$ 2,971,867	\$ (94,048)	\$ (8,198,741)	\$ 6,287,918

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**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED MARCH 31, 2022

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 was incorporated as the target company for certain assets and liabilities that were spun out from Fosterville South Exploration Ltd. (“Fosterville”). During the year ended June 30, 2021, the Company was spun out from Fosterville and the projects were acquired (refer to note 4 for a description of the transaction). 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 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 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.

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 condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

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

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

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED MARCH 31, 2022

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

These condensed consolidated interim 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 and 1274996 B.C Ltd have a functional currency of Canadian Dollar (CAD) and Leviathan Australia 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.

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, 2021. These condensed consolidated interim financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended June 30, 2021.

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 SPIN-OUT OF LEVIATHAN GOLD LTD AND AMALGAMATION WITH LEVIATHAN GOLD FINANCE LTD

On October 1, 2020, the Company entered into an Arrangement Agreement (the “Arrangement Agreement”) with Fosterville and Leviathan Gold Finance Ltd (“FinCo”). Under the terms of the Arrangement Agreement, Fosterville, pursuant to a Plan of Arrangement, spun-out the Company on November 23, 2020 and Fosterville completed a share split of the Company’s shares and distributed 67,907,831 Company shares to the Fosterville shareholders (the “Spin-Out”).

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

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED MARCH 31, 2022

4 SPIN-OUT OF LEVIATHAN GOLD LTD AND AMALGAMATION WITH LEVIATHAN GOLD FINANCE LTD (cont'd...)

Following completion of the Spin-Out, FinCo completed the following financings (the “Financings”):

- Raised \$30,000, at a price of \$0.005 pursuant to the issuance of 6,000,000 common shares to the new management and board of FinCo, which was advanced to the Company for working capital: and
- Raised \$12,908,000, at a price of \$0.50 pursuant to the issuance of 25,816,000 subscription receipts, of which \$12,061,705 was held in escrow pending the successful completion of the amalgamation, \$550,892 was paid to towards agents’ commissions, expenses, and other share issuance costs and \$295,403 was released and advanced to the Company for working capital. The Company issued 1,547,000 broker warrants in connection with the financing. Each broker warrant entitles the holder to acquire one common share of the Company for a period of 24 months from closing.

Following completion of the Financings, Leviathan Australia entered into an agreement to acquire certain exploration properties, known as the Avoca and Timor Projects and certain other tenements, from Fosterville’s wholly owned subsidiary, Currawong Resources Pty Ltd. (“Currawong”). The Company paid AUD\$764,081 and assumed the underlying royalty obligations (Note 7).

Prior to the completion of acquisition of exploration properties from Currawong, the Company caused 1274996 B.C Ltd., a wholly owned subsidiary of the Company, to amalgamate with FinCo (the “Amalgamation”), with the Company issuing 31,816,000 shares of the Company to the former securityholders of FinCo in connection with such amalgamation.

The fair value of the FinCo net assets on the date of amalgamation, substantially all of which consisted of cash, was \$12,390,739. FinCo is not considered to be a business and accordingly, the FinCo acquisition is accounted for as a financing transaction. The shares issued in connection with the acquisition of FinCo were valued on the basis of the fair value of the net assets received, as presented below:

Cash	\$	12,065,336
Receivable from the Company		325,403
Total net assets	\$	12,390,739

5 RECEIVABLES AND PREPAID EXPENSES

	March 31, 2022		June 30, 2021	
Goods and service tax (“GST”) receivable	\$	156,002	\$	195,226
Prepayments		<u>33,105</u>		<u>30,685</u>
Total	\$	189,107	\$	225,911

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

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED MARCH 31, 2022

6 EQUIPMENT

	Equipment	Computers	Vehicles	Total
Cost				
Balance at June 30, 2020	\$ -	\$ -	\$ -	\$ -
Additions	111,423	16,038	109,637	237,098
Foreign exchange	(3,748)	(539)	(3,688)	(7,975)
Balance at June 30, 2021	107,675	15,499	105,949	229,123
Additions	13,835	-	5,918	19,753
Foreign Exchange	1,039	115	890	2,044
Balance at March 31, 2022	122,549	15,614	112,757	250,920
Accumulated depreciation				
Balance at June 30, 2020	-	-	-	-
Depreciation	7,429	1,207	6,737	15,373
Foreign exchange	(250)	(41)	(227)	(518)
Balance at June 30, 2021	7,179	1,166	6,510	14,855
Depreciation	29,857	5,854	15,569	51,280
Foreign exchange	571	111	319	1,001
Balance at March 31, 2022	\$ 37,607	\$ 7,131	\$ 22,398	\$ 67,136
Carrying amount				
As at June 30, 2021	\$ 100,496	\$ 14,333	\$ 99,439	\$ 214,268
As at March 31, 2022	\$ 84,942	\$ 8,483	\$ 90,359	\$ 183,784

7. 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\$764,08) 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.

Below is a summary of the changes in the exploration and evaluation assets for the nine-month period ended March 31, 2022:

	March 31, 2022	June 30, 2021
Balance, June 30, 2021	\$ 710,213	\$ -
Avoca, Timor acquisition	-	747,424
Foreign exchange	5,272	(37,211)
Balance, March 31, 2022	\$ 715,485	\$ 710,213

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

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED MARCH 31, 2022

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

During the period ended March 31, 2022, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	Avoca Project	Timor Projects	Total
Assay	40,693	103,396	144,089
Data compilation	19,817	19,817	39,634
Drilling	166,116	506,958	673,074
Equipment rental	11,515	3,728	15,243
Field expenditures	64,009	74,681	138,690
Geological consulting	103,065	93,255	196,320
Geophysics	39,174	39,174	78,348
Project administration	3,642	28,065	31,707
Rehabilitation	-	9,204	9,204
Report Preparation	-	857	857
Project management	67,500	67,500	135,000
Salaries and wages	123,393	226,215	349,608
Tenement administration & fees	23,740	9,091	32,831
Travel	17,430	8,870	26,300
	<u>\$ 680,094</u>	<u>\$ 1,190,811</u>	<u>\$1,870,905</u>

During the nine months ended March 31, 2021, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	Avoca Project	Other Projects	Total
Assay	\$ 7,794	\$ 9,048	\$ 16,842
Data compilation	2,573	10,172	12,745
Drilling	341,171	-	341,171
Equipment rental	14,103	2,535	16,638
Field expenditures	32,899	11,034	43,933
Geological consulting	25,739	65,639	91,378
Project administration	342	1,370	1,712
Project management	37,500	37,500	75,000
Salaries and wages	-	24,226	24,226
Tenement administration & fees	333	2,558	2,891
Travel	5,439	-	5,439
	<u>\$ 467,893</u>	<u>\$ 164,082</u>	<u>\$ 631,975</u>

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

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED MARCH 31, 2022

8 SHARE CAPITAL**(a) Authorized**

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the period ended March 31, 2022 the Company did not issue any shares.

During the year ended June 30, 2021:

- The Company was spun-out from Fosterville and completed a forward split of its share. Fosterville distributed 67,907,831 common shares to its shareholders.

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.

- On February 2, 2021 the Company caused 1274996 B.C Ltd., a wholly owned subsidiary of the Company, to amalgamate with FinCo, with the Company issuing 31,816,000 shares of the Company to the former securityholders of FinCo in connection with the amalgamation. The fair value of the FinCo net assets on February 2, 2021, substantially all of which consisted of cash, was \$12,390,739 (note 4).

The Company paid share issuance costs of \$378,700 and issued 1,547,000 broker warrants. Each broker warrant is exercisable into one common share at a price of \$0.50 for a period of 2 years expiring February 3, 2023.

The Broker Warrants were valued at \$570,457 using Black-Scholes. The Company used the following assumptions when valuing the underwriters warrants: expected volatility of 100%, risk free interest rate of 0.16%, life of 2 years, dividend yield of 0% and forfeiture rate of 0%.

Escrowed shares

As at March 31, 2022, the Company has 44,344,699 common shares subject to escrow release restrictions, of which, 11,086,175 common shares will be released on each of the following dates: August 10, 2022, February 10, 2023, August 10, 2023, and February 10, 2024.

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

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED MARCH 31, 2022

8. SHARE CAPITAL (cont'd...)**Stock Options and Warrants**

During the period ended March 31, 2022, the Company did not grant any stock options. The Company recognized share-based payments expense of \$663,204 for options vested during the period ended March 31, 2022.

The changes in the stock options and share purchase warrants for the period ended March 31, 2022 are as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Outstanding, June 30, 2020	-	-	-	-
Granted	7,000,000	0.50	1,543,500	0.50
Balance, outstanding, June 30, 2021 and March 31, 2022	7,000,000	0.50	1,543,500	0.50
Balance, exercisable, March 31, 2022	6,768,750	0.50	1,543,500	0.50

The balance of stock options and share purchase warrants outstanding as at March 31, 2022 was as follows:

Expiry Date	Number Outstanding	Number Exercisable	Exercise Price - \$	Remaining Life (Years)
Stock options				
January 29, 2026	7,000,000	6,768,750	0.50	3.84
Warrants				
February 2, 2023	1,543,500	1,543,500	0.50	0.84

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

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED MARCH 31, 2022

9. 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.

During the nine-months period ended March 31, 2022 the Company entered into the following transactions with related parties, not disclosed elsewhere in these condensed consolidated interim financial statements:

	March 31, 2022	March 31, 2021
Director fees	\$ 37,500	\$ 12,500
Professional fees	68,248	49,044
Exploration costs	135,000	75,000
Management fees	247,500	137,500
Share-based payments	533,820	1,079,536
	<u>\$ 1,022,068</u>	<u>\$ 1,353,580</u>

As at March 31, 2022, \$75,468 (June 30, 2021 - \$28,062) 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.

10. SEGMENT INFORMATION

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

11. 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 receivables and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is classified as fair value through profit or loss. Receivables are classified at amortized cost. Accounts payable and accrued liabilities are classified as amortized cost.

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

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED MARCH 31, 2022

11 FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)**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.

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 March 31, 2022, 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. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations. As these exchange rates fluctuate against the Canadian Dollar, the Company will experience foreign exchange gains and losses.

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

LEVIATHAN GOLD LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED MARCH 31, 2022

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

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 (deficiency).

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.