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**LEOPARD LAKE GOLD CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND**  
**JUNE 30, 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of unaudited condensed interim financial statements and are in accordance with International Accounting Standard 34 - Interim Financial Reporting.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**LEOPARD LAKE GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022 AND DECEMBER 31, 2021**  
(Expressed in Canadian dollars)

	June 30, 2022	December 31, 2021
<b>ASSETS</b>		
CURRENT		
Cash	\$ 56,539	\$ 351,357
Amounts receivable	6,813	23,942
Prepaid expenses	174,218	7,000
	237,570	382,299
EXPLORATION AND EVALUATION ASSET ( <i>Note 4</i> )	786,729	524,657
	<b>\$ 1,024,299</b>	<b>\$ 906,956</b>
<b>LIABILITIES</b>		
CURRENT		
Accounts payable	\$ 43,829	\$ 48,543
Flow-through premium liability ( <i>Note 5</i> )	18,000	18,000
	61,829	66,543
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL ( <i>Note 5</i> )	1,306,516	1,162,598
SUBSCRIPTIONS RECEIVABLE ( <i>Note 5</i> )	-	(143,873)
CONTRIBUTED SURPLUS	197,782	125,907
DEFICIT	(541,828)	(304,219)
	962,470	840,413
	<b>\$ 1,024,299</b>	<b>\$ 906,956</b>

NATURE OF BUSINESS AND CONTINUING OPERATIONS (*Note 1*)  
COMMITMENTS (*Note 10*)  
SUBSEQUENT EVENTS (*Note 11*)

Approved on behalf of the Board:

"Michael Frymire"  
Director

"Mark Lotz"  
Director

The accompanying notes are an integral part of these financial statements.

**LEOPARD LAKE GOLD CORP.**  
**CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS PERIOD ENDED JUNE 30**  
(Expressed in Canadian dollars)

	<b>Three months ended June 30, 2022</b>	Three months ended June 30, 2021	<b>Six months ended June 30, 2022</b>	Six months ended June 30, 2021
<b>EXPENSES</b>				
Advertising and promotion	\$ -	900	\$ 2,500	\$ 900
Professional fees	42,129	11,500	54,097	11,500
Management fees ( <i>Note 6</i> )	68,613	9,000	86,613	18,000
Office and miscellaneous expense(recovery)	6,212	706	9,424	1,451
Listing fees	3,747	4,866	8,600	4,866
Rent ( <i>Note 6</i> )	2,250	2,250	4,500	4,500
Share-based payment ( <i>Note 5</i> )	-	63,304	71,875	63,304
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$122,951</b>	<b>\$92,526</b>	<b>\$ 237,609</b>	<b>\$ 104,521</b>
<b>LOSS PER SHARE – BASIC AND DILUTED</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED</b>	<b>22,561,430</b>	<b>12,200,001</b>	<b>22,037,620</b>	<b>12,200,001</b>

The accompanying notes are an integral part of these financial statements.

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**LEOPARD LAKE GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND JUNE 30, 2021**  
(Expressed in Canadian dollars)

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	<b>2022</b>	2021
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (237,609)	\$ (104,521)
Non-cash expense:		
Share-based payment	71,875	63,304
Changes in non-cash working capital balances:		
Amounts receivable	17,129	(2,122)
Prepaid expenses	(167,218)	(27,001)
Accounts payable	(4,714)	11,839
Cash used in operating activities	(320,537)	(58,501)
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(112,072)	(3,473)
<b>FINANCING ACTIVITIES</b>		
Shares issued for cash	137,791	-
<b>CHANGE IN CASH</b>	(294,818)	(61,974)
<b>CASH, BEGINNING OF PERIOD</b>	351,357	124,456
<b>CASH, END OF PERIOD</b>	\$ 56,539	62,482

The Company did not pay any interest or income taxes in cash during the periods.

The accompanying notes are an integral part of these financial statements.

**LEOPARD LAKE GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021**  
(Expressed in Canadian dollars)

	Common shares		Contributed surplus	Subscription receivable	Deficit	Total equity
	Number of shares	Amount				
As December 31, 2020	12,200,001	265,001	30,000		(63,603)	231,398
Compensation stock options granted			63,303			63,303
Net loss for the period					(104,521)	(104,521)
As at June 30, 2021	12,200,001	265,001	93,303	-	(168,124)	190,180
As at December 31, 2021	21,490,001	1,162,598	125,907	(143,873)	(304,219)	840,413
Shares issued for property	1,071,429	150,000	-	-	-	150,000
Share issuance costs		(6,082)				(6,082)
Cash received for shares already issued	-	-	-	143,873	-	143,873
Share based compensation	-	-	71,875	-	-	71,875
Net loss for the period	-	-	-	-	(237,609)	(237,609)
As at June 30, 2022	22,561,430	1,306,516	197,782	-	(541,828)	962,470

The accompanying notes are an integral part of these financial statements.

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**LEOPARD LAKE GOLD CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021**  
(Expressed in Canadian dollars)

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**1. NATURE OF BUSINESS AND CONTINUING OPERATIONS**

Leopard Lake Gold Corp. (“the Company”) was incorporated on July 9, 2020 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 9285 – 203B Street, Langley, British Columbia, Canada. The common shares of the Company trade on the Canadian Stock Exchange under the symbol CSE:LP.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at June 30, 2022, the Company has not yet determined whether the Company’s mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had a deficit of \$541,828 as at June 30, 2022, which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be 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 these financial statements.

**2. BASIS OF PREPARATION**

**Statement of Compliance**

These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements and notes thereto as of and for the year ended December 31, 2021. These unaudited condensed interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on August 30, 2022.

**Basis of Measurement**

These unaudited condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended June 30, 2021. The adoption of new accounting standards has had no material impact on the financial statements. The functional and presentation currency of the Company is the Canadian dollar.

**LEOPARD LAKE GOLD CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021**  
(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies and critical accounting estimates applied in the unaudited condensed interim financial statements are the same as those applied on the Company's annual financial statements for the period ended December 31, 2021.

4. EXPLORATION AND EVALUATION ASSET

	Stella Property	St. Robert Property	Leduc Property	Totals
<i>Acquisition costs</i>				
Balance at January 1, 2020				
Cash	\$ -	\$ -	\$ 12,000	\$ 12,000
Balance at December 31, 2020	-	-	12,000	12,000
Balance at January 1, 2021	-	-	12,000	12,000
Option payments	60,000	-	34,000	94,000
Shares	325,000	-	-	325,000
Balance at December 31, 2021	385,000	-	46,000	431,000
Balance at January 1, 2022	385,000	-	46,000	431,000
Cash	-	25,000	-	25,000
Shares	-	150,000	-	150,000
<b>Balance, June 30, 2022</b>	<b>\$ 385,000</b>	<b>\$ 175,000</b>	<b>\$ 46,000</b>	<b>\$ 606,000</b>
<i>Exploration costs</i>				
Balance January 1, 2020	\$ -	\$ -	\$ -	\$ -
Geological Services	-	-	13,687	13,687
Survey	-	-	61,636	61,636
Travel	-	-	3,441	3,441
Exploration expenses	-	-	9,808	9,808
Balance December 31, 2020	-	-	88,572	88,572
Balance January 1, 2021	-	-	88,572	88,572
Geological Services	-	-	13,285	13,285
Survey	-	-	362	362
Travel	-	-	1,438	1,438
Exploration expenses	-	-	-	-
Balance December 31, 2021	-	-	103,657	103,657
Exploration expenses	-	63,640	1,389	65,029
Geological services	-	5,498	6,545	12,043
<b>Balance, June 30, 2022</b>	<b>-</b>	<b>69,138</b>	<b>111,591</b>	<b>180,729</b>
<b>Balance at June 30, 2022</b>	<b>\$ 385,000</b>	<b>\$ 244,138</b>	<b>\$ 157,591</b>	<b>\$ 786,729</b>



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**LEOPARD LAKE GOLD CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021**  
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4. EXPLORATION AND EVALUATION ASSET (continued)

**Leduc Gold Project Property**

On August 17, 2020, the Company ("Optionee") entered into a mineral property option agreement with Gravel Ridge Resources Ltd. ("Optionor") to acquire a 100% interest, subject to a 1.5% royalty, in the mineral claims known Leduc Gold Project Property located in the Thunder Bay Mining Division of Ontario. Under the agreement, the Company is obligated to make cash payments totaling \$81,000 and issue 400,000 common shares as follows:

- a. \$12,000 on signing of this Agreement – **paid**,
- b. issue 200,000 common shares of the Optionee upon listing on a Canadian Exchange – **issued**,
- c. \$14,000 on or before August 17, 2021 – **paid**,
- d. \$20,000 on or before August 17, 2022,
- e. issue 200,000 common shares on or before October 5, 2022,
- f. final payment of \$35,000 on or before August 17, 2023.

The Company has the option to purchase 33.33%, being 0.5% of the optionor's NSR for further cash consideration of \$500,000.

**St. Robert Property**

On November 15, 2021, the Company entered into two mineral property option agreements

- a. To acquire a 50% interest in 106 mining claims proximal to the above claims in the Marlow and Riseborough Townships in St.-Robert-Bellarmin. This agreement requires the Company will make the following payments:
  - i. \$25,000 and issue \$150,000 worth of common shares based on the prior to January 31, 2022 – **paid**,
  - ii. \$50,000 and issue \$350,000 of common prior to May 31, 2022,
  - iii. Issue \$200,000 of common shares prior to October 3, 2022,
  - iv. \$25,000 and issue \$300,000 of common prior to March 31, 2023,
  - v. \$450,000 of common shares prior to October 31, 2023,
  - vi. \$450,000 of common prior to March 31, 2024.

Share to be issued under the agreement are to be calculated on a 10-day volume weighted average trading price.

The claims will be subject to a 2% net smelter return royalty, which the Company may reduce by 50% for cash consideration of \$1,200,000. The remaining 50% for may be purchases for an additional \$2,400,000.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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4. EXPLORATION AND EVALUATION ASSET (continued)

**Stella Property**

On November 15, 2021, the Company entered into mineral property option agreement with to acquire a 100% interest two distinct groups of claims together identified as the Stella Mining Claims in the Province of Quebec. The agreement requires the Company will make the following payments to acquire the interest:

- On or before November 15, 2021, issue 1,500,000 common shares – **issued**,
- \$35,000 cash on or before November 15, 2021 – **paid**,
- No later than May 15, 2022, issue an additional 2,500,000 common shares.

The second agreement requires the following payments:

- i. 1,000,000 common shares, - **paid**
- ii. \$15,000 cash - **paid**

The optionor is entitled to a 1% net smelter returns royalty (“NSR”) on the first group of claims, which the Company has the right to purchase 50% thereof for \$1,000,000. On May 15, 2022, the second closing date, the optionor will be entitled to a 3% NSR on the second group of claims which the Company will have the right to purchase 100% thereof for \$2,000,000.

5. SHARE CAPITAL

- a) Authorized: Unlimited number of common shares without par value.
- b) Escrow shares:

As at June 30, 2022, there were 2,123,062 common shares held in escrow.

- c) Common shares Issued and outstanding as at June 30, 2022: 22,561,430

During the period ended March 31, 2022 the Company had the following share capital transactions:

On March 30, 2022 the Company issued 1,071,429 shares pursuant to a property purchase in Quebec as described in Note 4. The fair value of the common shares issued was \$150,000.

On October 5, 2021 the Company closed a brokered initial public offering. The company issued 3,690,000 common shares at a price \$0.10 per share for net proceeds of \$178,597.

On October 5, 2021 the Company issued 200,000 common shares pursuant to a property purchase in Ontario as described in Note 4. The fair value of the common shares issued was \$20,000.

On November 12, 2021 the Company closed a non-brokered private placement for aggregate gross proceeds of \$70,000 for the issuance of 700,000 common shares at a price of \$0.10 per share.

On November 15, 2021 the Company issued 1,500,000 common shares pursuant to a property purchase in Quebec as described in Note 4. The fair value of the common shares issued was \$195,000.

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**LEOPARD LAKE GOLD CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021**  
(Expressed in Canadian dollars)

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5. SHARE CAPITAL (continued)

On November 15, 2021 the Company issued 1,000,000 common shares pursuant to a property purchase in Quebec as described in Note 4. The fair value of the common shares issued was \$130,000.

On December 31, 2021 the Company closed a brokered private placement selling 400 units to raise a total \$322,000. Each unit consisted of 4,500 flow-through common shares, 1,000 common shares, and 1,000 common share purchase warrants entitling a holder to purchase one common share at a price of \$0.25 per common share for a period of 24 months after the purchase date. The flow-through share premium recognized upon issuance was \$18,000. There was no value allocated to the warrants using the residual method. The Company issued a total of 2,200,000 common shares and 400,000 purchase warrants.

d) Issued and outstanding as at December 31, 2020: 12,200,001 common shares.

During the period ended December 31, 2020, the Company had the following transactions:

On July 9, 2020, the Company issued a common share for incorporation for gross proceeds of \$1.

On August 7, 2020, the Company issued 2,000,000 common shares at a price of \$0.005 per share for gross proceeds of \$10,000 to the founders. The founder shares had a fair value of \$40,000 and as a result, the Company recorded a share-based payment of \$30,000 and a corresponding increase to contributed surplus.

On September 9, 2020, the Company completed a private placement for 2,500,000 common shares at a price of \$0.02 per share for gross proceeds of \$50,000.

On October 3, 2020, the Company completed a private placement for 4,500,000 flow-through common shares at \$0.02 per share for gross proceeds of \$90,000. Under the terms of the flow-through share private placements, the Company must incur \$90,000 of Canadian Exploration Expenditures and renounce them to the shareholders of the Company. As of December 31, 2020, the Company had not made any renunciation and had incurred the \$88,572 in exploration expenditures

On October 3, 2020, the Company completed a private placement for 1,500,000 common shares at \$0.02 per share for gross proceeds of \$30,000.

On December 18, 2020, the Company completed a private placement for 1,700,000 common shares at \$0.05 per share for gross proceeds of \$85,000.

e) Stock options

During the period ended June 30, 2022, pursuant to its stock option plan the Company granted 800,000 options to certain directors and officers. The stock options will vest immediately and will expire five years from the grant date.

During the year ended December 31, 2021, the Company adopted a stock option plan for directors, officers, employees, and consultants of the Company. The plan allows for the awarding of options at the discretion of the directors, options not to exceed 15% of the total number of issued and outstanding shares on a non-diluted basis.

**LEOPARD LAKE GOLD CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021**  
(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

On April 6, 2021, the Company granted 750,000 stock options to the directors and officers. The options vested on the grant date and are exercisable at \$0.10 per share until April 6, 2026.

The options were valued using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk-free interest rate of 0.92%, a dividend rate of Nil, and a volatility of 125%.

	Compensation options 2022	Compensation Options 2021
Exercise price per option	\$0.14	\$0.10
Expected life	5 years	5 years
Dividend yield	Nil	Nil
Expected Volatility	69%	125%
Estimated fair value per option	\$0.09	\$0.08

Information regarding the Company's stock options activity is summarized below:

	Number of Options	Weighted average exercise price \$
Balance December 31, 2020	-	-
Granted	750,000	0.1000
<b>Balance, December 31, 2021</b>	<b>750,000</b>	<b>0.1000</b>
Granted	800,000	0.1400
<b>Balance, June 30, 2022</b>	<b>1,550,000</b>	<b>0.1257</b>

The following table summarizes stock options outstanding at June 30, 2022:

Expiry Date	Exercise price \$	Number of options Outstanding
March 30, 2027	\$0.140	800,000
April 6, 2026	0.100	750,000

f) Warrants

During the period ended June 30, 2022, the Company did not issue any new warrants.

During the year ended December 31, 2021, the Company issued 369,000 finders' warrants and 400,000 warrants that were attached to units described above.

**LEOPARD LAKE GOLD CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021**  
(Expressed in Canadian dollars)

5. Share capital (continued)

The 369,000 finders' warrants were valued at \$32,603; using the Black-Scholes option pricing model and assuming the following:

	<b>Compensation Options</b>
Exercise price per option	\$0.10
Expected life	5 years
Dividend yield	Nil
Expected Volatility	125%
Estimated fair value per warrant	\$0.08

Information regarding the Company's warrant activity is summarized below:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2019 and 2020	-	-
Issued	769,000	\$ 0.0178
<b>Balance, June 30, 2022 and December 31, 2021</b>	<b>769,000</b>	<b>\$ 0.0178</b>

The following table summarizes warrants outstanding at June 30, 2022:

Expiry Date	Exer cise \$	Number of warrants Outstanding
December 31, 2023	0.2	400,000
October 5, 2026	0.10	369,000
<b>June 30, 2022</b>		<b>769,000</b>

6. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Legal fees are incurred with a firm controlled by a close family member of the CFO.

**LEOPARD LAKE GOLD CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021**  
(Expressed in Canadian dollars)

6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The Company had incurred the following key management personnel cost from related parties:

	June 30, 2022	June 30, 2021
Accounting fees	\$ 50,613	-
Legal fees	46,199	-
Management fees	36,000	\$ 18,000
Rent	4,500	4,500
Share-based payment	71,875	63,304

During the period ended June 30, 2022, the Company issued 800,000 stock options with an estimated fair value of \$71,875.

During the period ended June 30, 2021 the Company issued 750,000 stock options with an estimated fair value of \$63,304 to directors and officers of the Company.

During the six months ended June 30, 2022, the Company paid management fees of \$36,000 (2021 – \$18,000) and rent of \$4,500 (2021- \$4,500) to a company controlled by the CEO and President of the Company.

During the six months ended June 30, 2022 the Company paid professional fees of \$50,613 (2021 - \$NIL) to a company controlled by the CFO.

During the six months ended June 30, 2022 the company paid \$46,199 (2021 - \$NIL) in legal fees to a company controlled by a direct family member of the CFO.

During the period ended December 31, 2020, the Company issued 2,000,000 common shares with estimated fair value of \$40,000 (see Note 5c) to directors and officers of the Company. Accordingly, the Company recorded an amount of \$30,000 as share-based payments for the period ended December 31, 2020.

During the period ended December 31, 2020, the Company entered into a mineral property option agreement with Gravel Ridge Resources Ltd. (the "Optionor") as described in Note 4. The Company and the Optionor share key management personnel.

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification, evaluation and acquisition of a Qualified Transaction. The Company does not have any externally imposed capital requirements to which it is subject.

The Company's capital structure consists of equity and share subscriptions. As at June 30, 2022, the Company had capital resources consisting of cash. 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 common shares or dispose of assets or adjust the amount of cash.

**LEOPARD LAKE GOLD CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021**  
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8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Fair value of financial instruments**

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at June 30, 2022 were as follows:

	Carrying amount	Fair value measurement using		
		Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 56,539	\$ 56,539	\$ -	\$ -

**Financial risk management objectives and policies**

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

*Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

*Credit Risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution.

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*Interest Rate Risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

*Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

9. COMMITMENTS

During the year ended December 31, 2021, the Company closed a brokered private placement selling 400 units to raise a total \$270,000. Each unit consisted of 4,500 flow-through common shares, 1,000 common shares, and 1,000 common share purchase warrants. As a result of the private placement the Company issued 1,800,000 flow-through common shares. The flow-through share premium recognized upon issuance was \$18,000. Expenditures related to the use of flow-through share proceeds are not available as a tax deduction to the Company as the tax benefits of these expenditures are renounced to the investors. The Company is obligated to renounce \$270,000. As at March 31, 2022, the Company had not had any qualified expenditures through these funds. The Company is required to incur these expenditures before December 31, 2022 under the general rule and before December 31, 2023 under the look-back rule.

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 4.