

Fosterville South Receives Final Court Approval for Spinout of Leviathan Gold Shares to Shareholders



Fosterville South Exploration Ltd. (TSX.V: FSX)

Announced that it has received the final approval of the Court in respect of the plan of arrangement pursuant to which the Company will spinout its Avoca and Timor properties to Leviathan Gold Ltd. ("**Leviathan**").

Subject to the procedures of the TSX Venture Exchange, the effective date of the Arrangement is scheduled to occur at 9:00 a.m. (Toronto time) on November 23, 2020.

Fosterville South	TSX.v : FSX
Stage	Exploration
Metals	Gold
Market cap	C\$191 m @ C\$3.14
Location	Victoria State, Australia

Fosterville South Receives Final Approval of the Court for Spinout of Leviathan Gold Ltd. Shares to Fosterville South Shareholders

VANCOUVER, British Columbia, Nov. 19, 2020 – **Fosterville South Exploration Ltd.** (“**FSX**” or the “**Company**”) (**TSXV: FSX**) announces that it has received the final approval of the Court in respect of the plan of arrangement (the “**Arrangement**”) pursuant to which the Company will spinout its Avoca and Timor properties to Leviathan Gold Ltd. (“**Leviathan**”).

Subject to the procedures of the TSX Venture Exchange (the “**TSXV**”), the effective date of the Arrangement is scheduled to occur at 9:00 a.m. (Toronto time) on November 23, 2020. On the Effective Date of the Arrangement, each existing common share of the Company will be exchanged for (i) one new common share of the Company and (ii) one common share of Leviathan.

The Company is also pleased to announce that Leviathan Gold Finance Ltd. (“**Leviathan Finance**”) has engaged Clarus Securities Inc. (“**Clarus**”) as agent, on behalf of a syndicate of agents, to lead a best efforts private placement offering of subscription receipts (“**Subscription Receipts**”) at a price of \$0.50 per subscription receipt for aggregate gross proceeds of up to \$7.5 million (the “**Offering**”). The gross proceeds of the Offering (less (a) 3% of the gross proceeds of the Offering, (b) less 50% of the agents commission and (c) less the expenses of the agents) will be held in escrow and will be

released to Leviathan Finance (minus the balance of the agents commission and fees) upon:

1. Leviathan Gold (Australia) Pty Ltd, a wholly-owned subsidiary of Leviathan, entering into an agreement to acquire the Avoca and Timor Projects from a wholly-owned subsidiary of FSX and all conditions precedent to the transaction (other than payment) being satisfied or waived;
2. Leviathan Finance advising Clarus that it is prepared to file articles of amalgamation in respect of the “three cornered” amalgamation of Leviathan Finance with a wholly-owned subsidiary of Leviathan, pursuant to which shareholders of Leviathan Finance will receive common shares of Leviathan;
3. the TSXV approving the listing of the common shares of Leviathan (the “**Resulting Issuer**”) on the TSXV ((i), (ii) and (iii) together, the “**Escrow Release Conditions**”).

Upon satisfaction of the Escrow Release Conditions, the holders of Subscription Receipts will receive one common share of the Resulting Issuer for each Subscription Receipt held.

If: (i) the Escrow Release Conditions are not satisfied on or before the date that is 3 months from the closing date of the Offering (the “**Escrow Release Deadline**”); or (ii) prior to the Escrow Release Deadline Leviathan Finance advises Clarus or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrowed Funds (plus accrued interest earned thereon) shall be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that the

Escrowed Funds (plus accrued interest) are not sufficient to refund the aggregate subscription price paid by the holders of the Subscription Receipts, Leviathan Finance shall be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall.

The net proceeds of the Offering will be used by Leviathan to fund the purchase price for the Avoca and Timor projects and for general working capital.

Fosterville South Chief Executive Officer, Bryan Slusarchuk, states,*“Unsolicited expressions of interest for this Leviathan Gold financing have greatly exceeded expectations and we are pleased to see the institutional demand for the financing so strong. Obviously, there will be many cutbacks prior to closing given the very strong demand and we appreciate the understanding of investors that did not receive full allocations. Leviathan Gold will emerge as a public company with a very strong treasury, excellent gold projects and a management team with a track record of creating shareholder value. We look forward to seeing the company execute on the ground, for the benefit of all stakeholders.”*

Leviathan Finance also intends to undertake a non-brokered financing of up to \$250,000 on the same terms as the Offering.

About Fosterville South Exploration Ltd.

Fosterville South has two large, 100% owned, high-grade epizonal gold projects called the Lauriston and Golden Mountain Projects, a large group of tenement applications

called the Providence Project and a large group of recently consolidated tenement applications called the Walhalla Belt Project, all in the state of Victoria, Australia.

The Fosterville South land packaged, assembled over a multi-year period, notably includes a 600 sq. km property immediately to the south of and within the same geological framework that hosts Kirkland Lake Gold's Fosterville tenements. Additionally, Fosterville South has gold-focused projects called the Moornbool, Timor and Avoca Projects, which are also located in the state of Victoria, Australia.

Six of Fosterville South's properties (Lauriston, Providence, Golden Mountain, Timor, Avoca and Walhalla Belt) have had historical gold production from hard rock sources despite limited modern exploration and drilling.

Fosterville South has approximately CAD \$30million in cash, is drilling at the Golden Mountain project where results to date have been excellent, is preparing to drill at Lauriston and has 12 drill permits in progress spanning 5 different projects.

On behalf of the Company,

Bryan Slusarchuk, Chief Executive Officer and Director.

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Disclosure

The writer holds shares of Fosterville South bought in the market at the prevailing price on the day of purchase.