

Level 14 Ventures Ltd.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2022 and 2021

Reader's Note:

These unaudited condensed consolidated interim financial statements of Level 14 Ventures Ltd. have been prepared by management and have not been reviewed by the Company's auditor.

LEVEL 14 VENTURES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2022 AND DECEMBER 31, 2021

(Expressed in Canadian dollars - Unaudited)

	Note	March 31, 2022 \$	December 31, 2021 \$
ASSETS			
Current assets			
Cash		312,426	748,423
Receivables		3,913	11,731
Prepaid expenses		9,092	-
Cash advance	11	797,090	424,713
Total current assets		1,122,521	1,184,867
Non-current assets			
Exploration and evaluation asset	4	229,657	229,657
Total assets		1,352,178	1,414,524
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	51,875	45,990
Total liabilities		51,875	45,990
SHAREHOLDERS' EQUITY			
Share capital	5	1,323,692	1,323,692
Share-based compensation reserve	5 (c)	54,861	54,861
Warrant reserve	6	581,802	581,802
Deficit		(660,052)	(591,821)
Total shareholders' equity		1,300,303	1,368,534
Total liabilities and shareholders' equity		1,352,178	1,414,524

Nature of operations and going concern (note 1)

Subsequent events (note 11)

Approved by the Board of Directors on May 19, 2022

"Hayley De Witt"*Director*"Christopher Cooper"*Director*

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

LEVEL 14 VENTURES LTD.CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

(Expressed in Canadian dollars - Unaudited)

	Note	March 31, 2022 \$	March 31, 2021 \$
Expenses			
Business development expenses		6,463	-
Foreign exchange loss		10,891	-
General and administrative	7	7,052	6,641
Insurance expense		3,025	2,750
Listing and filing fees		6,028	6,172
Management fees		9,000	9,000
Professional fees		18,547	4,895
Salaries and wages	7	7,225	7,590
Loss and comprehensive loss for the period		(68,231)	(37,048)
Loss per share			
Basic and diluted		(0.00)	(0.00)
Weighted average number of common shares outstanding (basic and diluted)		39,080,501	20,534,501

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

LEVEL 14 VENTURES LTD.CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

(Expressed in Canadian dollars - Unaudited)

	Note	Common shares Number	Share capital \$	Warrants reserve \$	Share-based compensation reserve \$	Deficit \$	Total \$
Balance, December 31, 2020		20,534,501	727,962	168,195	54,861	(319,298)	631,720
Loss and comprehensive loss for the period		-	-	-	-	(37,048)	(37,048)
Balance, March 31, 2021		20,534,501	727,962	168,195	54,861	(356,346)	594,672
Balance December 31, 2021		39,080,501	1,323,692	581,802	54,861	(591,821)	1,368,534
Loss and comprehensive loss for the period		-	-	-	-	(68,231)	(68,231)
Balance, March 31, 2022		39,080,501	1,323,692	581,802	54,861	(660,052)	1,300,303

The accompanying notes form an integral part of these condensed consolidated financial statements.

LEVEL 14 VENTURES LTD.CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

(Expressed in Canadian dollars - Unaudited)

		March 31, 2022	March 31, 2021
		\$	\$
	Note		
Cash flows provided by (used in)			
Operating Activities			
Loss for the period		(68,231)	(37,048)
Items not affecting cash:			
Unrealized foreign exchange loss		10,891	-
Changes in non-cash working capital:			
Accounts payable and accrued liabilities	7	5,885	(18,508)
Prepaid expenses		(9,092)	(8,250)
Receivables		7,818	(1,183)
		<u>(52,729)</u>	<u>(64,989)</u>
Investing Activities			
Advance to Bridle Capital Ltd.	11	(383,268)	-
		<u>(383,268)</u>	<u>-</u>
Decrease in cash for the period		(435,997)	(64,989)
Cash - beginning of period		748,423	448,368
Cash - end of period		312,426	383,379

The accompanying notes form an integral part of these condensed consolidated financial statements.

LEVEL 14 VENTURES LTD.

CONDENSED CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022

(Unaudited)

Expressed in Canadian dollars unless otherwise stated

1. Nature of operations and going concern

Nature of operations and Going Concern

Level 14 Ventures Ltd. (the “Company” or “Level 14”) was incorporated under the British Columbia *Business Corporations Act* on November 7, 2018. Level 14 has one wholly-owned subsidiary, 1246931 B.C. Ltd (note 4) which is consolidated with the Company in these statements. The Company is publicly traded and listed on the Canadian Securities Exchange (the “Exchange”) under the symbol “LVL”. The Company is an exploration stage mining company with one exploration property (the Green Mountain Property), owned through its wholly-owned subsidiary, located in British Columbia, Canada.

These condensed consolidated interim financial statements (the “Financial Statements”) have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. Level 14 is an exploration stage mining company which incurred a loss of \$68,231 for the three months ended March 31, 2022, and as at March 31, 2022 had an accumulated deficit of \$660,052. Level 14 is expected to incur operating losses for the foreseeable future. Level 14’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. Level 14 estimates it has sufficient funds to operate for the next 12 months. These Financial Statements do not include adjustments that may be necessary if the going concern principal is not appropriate.

During the first calendar quarter of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization; this has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot yet be determined, but they could have a prospective material impact to the Company’s exploration activities, its ability to raise financing and therefore the Company’s cash flows and liquidity, as well as its ability to complete the proposed transaction (note 11). The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company are not known at this time.

The head office & principal address of the Company is located at Suite 1400, 400 Burrard Street, Vancouver, BC, V6C 3A6.

2. Basis of presentation and significant accounting policies

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed consolidated interim financial statements do not include all the necessary annual disclosures in accordance with IFRS, and should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2021.

The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company’s most recent audited annual financial statements for the year ended December 31, 2021.

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CONDENSED CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS
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(Unaudited)

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Basis of Presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value. The condensed consolidated interim financial statements are presented in Canadian Dollars, which is also the Company's functional currency.

Changes in accounting standards

There are no upcoming changes in accounting standards which will impact the Company.

3. Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these condensed consolidated interim financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company's significant accounting judgments and estimates have been applied in these Financial Statements:

Judgments

- Management makes judgments related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

Estimates

- In calculating the fair value of the share-based compensation and warrants, management makes estimates related to the Company's share price volatility and expected life of the instruments. To the extent that these estimates are not correct, the value of these instruments within equity may differ.
- In calculating the fair value of the flow-through shares and warrants, management makes estimates related to the Company's share price volatility and expected life of the instruments. To the extent that these estimates are not correct, the value of these instruments within equity may differ.
- The fair value of the assets and liabilities purchased with 1246931 B.C. Ltd on October 7, 2020 (note 4) have been estimated by management.
- The assessment of indicators of impairment for the mineral properties and the related determination of the recoverable amount and write-down of the properties where applicable. To the extent that these estimates are not correct, the value of the mineral properties may differ.

4. Exploration and Evaluation Asset

On October 7, 2020 the Company acquired 1246931 B.C. Ltd. for 4,000,000 common shares of the Company (valued at \$200,000) and a 1.5% net smelter returns royalty ("NSR") on the Green Mountain property. The Company incurred \$6,182 in legal fees in relation to the acquisition of 1246931 B.C. Ltd.

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The acquisition was treated as an acquisition of assets as 1246931 B.C. Ltd. did not meet the definition of a business. The value of the assets and liabilities acquired was based on the fair value of the consideration provided.

The allocation of the consideration to the estimated fair value of assets and liabilities is as follows:

Purchase price:

Common shares issued	\$200,000
<u>Legal costs</u>	<u>\$6,182</u>
Total purchase price	\$206,182

Net assets acquired:

Cash	\$5,031
Accounts receivable	\$3,694
Accounts payable and accrued liabilities	(\$4,200)
Loan payable	(\$28,000)
<u>Exploration and evaluation asset</u>	<u>\$229,657</u>
Total net assets acquired	\$206,182

At the time of the acquisition there was an outstanding loan payable of \$28,000 due to the vendor of 1246931 B.C. Ltd. The loan payable was paid in full upon acquisition of 1246931 B.C. Ltd.

5. Share Capital and Reserves

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

Share transactions during the year ended December 31, 2021

On April 30, 2021 the Company closed a financing issuing 18,546,000 units at \$0.055 per unit (each unit consisting of one common share of the Company and one whole warrant), for proceeds of \$1,020,030 (the "2021 Private Placement"). Each whole warrant issued as part of the unit entitles the holder to purchase one common share of the Company at a price of \$0.10 per share for a period of five years from the date of the financing. Legal costs of \$10,693 were incurred in connection with the 2021 Private Placement and the net consideration of \$1,009,337 was allocated between share capital and warrants based on the relative fair values of each instrument; a total of \$595,730 (net of \$6,311 legal costs) was allocated to share capital and \$413,607 (net of \$4,382 legal costs) was allocated to the warrants (note 6).

c) Stock Options

Pursuant to the Company's stock option plan (the "Stock Option Plan"), the Company's board of directors may, from time to time, grant directors, officers, employees and consultants non-transferable options to purchase common shares, provided that the number of common shares served for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to 5 years from the date of the grant. The exercise price of any option granted

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pursuant to the Stock Option Plan shall be determined by the board of directors when granted, but shall not be less than the market price.

During the three months ended March 31 2022, the total share-based payment recognized by the Company was \$nil (2021 - \$nil).

As at March 31, 2022, the Company had the following options outstanding:

Number outstanding	Exercisable	Exercise Price per Share	Expiry Date	Life remaining
700,000	700,000	\$0.10	December 14, 2023	1.71 years
1,000,000	1,000,000	\$0.10	September 18, 2025	3.47 years

d) Earnings per share

The weighted average number of stock options and warrants excluded from the computation of diluted earnings per share because their effect is anti-dilutive in 2022 or 2021 is as follows:

	Three months ended March 31, 2022	Three months ended March 31, 2021
Stock options	1,700,000	1,700,000
Warrants	27,166,000	8,620,000

e) Shares in Escrow

As at March 31, 2022, 9,964,201 (December 31, 2021 – 14,946,301) of the Company's shares were held in escrow. Such shares are to be released based on a predetermined schedule from as early as the Listing Date to a maximum of 36 months after the Listing Date.

6. Warrants

A continuity schedule for the Company's warrants is as follows:

	Number of warrants
Outstanding as of December 31, 2020	8,620,000
Issued on April 30, 2021	18,546,000
Outstanding as of December 31, 2021	27,166,000
Outstanding as of March 31, 2022	27,166,000

Pursuant to the completion of the 2021 Private Placement, on April 30, 2021, the Company issued 18,546,000 transferable share purchase warrants at an exercise price of \$0.10 per share for a period of five years from the date of closing the financing (note 5 (b)). All warrants will vest after a four-month period and are exercisable on September 1, 2021. The warrants were assigned a value of \$417,989 upon issuance which was recorded within the Warrants reserve; in addition, legal costs of \$4,382 associated with the financing were incurred which were netted against the warrants reserve.

The following weighted average assumptions were used to estimate the grant date fair value of these warrants using the Black Scholes model:

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	April 30, 2021
Expected dividend yield	0.00%
Expected stock price volatility	100%
Risk-free interest rate	1.05%
Expected life of the warrants	5.00 years
Grant date fair value per warrant	\$0.049

As at March 31, 2022, the Company had the following warrants outstanding:

Number outstanding	Exercisable	Exercise Price per Share	Expiry Date	Life remaining
8,620,000	8,620,000	\$0.10	September 30, 2025	3.50 years
18,546,000	18,546,000	\$0.10	April 30, 2026	4.08 years

7. Related party transactions

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. Related parties of the Company include the members of the Board of Directors, officers of the Company, close family members of these individuals, and any companies controlled by these individuals. Pathway Capital Ltd (“Pathway”) is considered a related party of the Company as it is controlled by the Chief Executive Officer and a director of the Company.

On November 26, 2018, Level 14 entered into an administrative services agreement with Pathway to pay for rent and other administrative services. On September 1, 2020, this agreement was modified to include management fees in addition to the services already provided by Pathway. During the three months ended March 31, 2022, Level 14 paid or accrued \$15,000 to Pathway under the agreement (2021 - \$15,000), these expenses are included under general and administrative expenses and management fees in the consolidated statement of loss and comprehensive loss. As at March 31, 2022, Level 14 had an accounts payable balance of \$25,919 owing to Pathway (December 31, 2021 - \$nil).

On November 17, 2021, the Company entered into a Share Exchange Agreement (the “Agreement”) to acquire all outstanding shares of Bridle from a related party for 36,000,000 shares of the Company, USD\$625,000 and a 1% NSR on the property (note 11).

Members of the Board of Directors and certain officers of the Company and their close family members purchased a total of 14,436,800 shares of the Company in the private placement on April 30, 2021 (Note 5(b)).

Compensation of key management personnel:

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Level 14 considers its Board of Directors, as well as the CEO and CFO to be key management personnel.

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(Unaudited)

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During the three months ended March 31, 2022, the Company's compensation cost for key management personnel was as follows:

	Three Months ended March 31, 2022	Three Months ended March 31, 2021
Salaries and Wages ¹	16,225	16,590
Share-based compensation	-	-
Total	16,225	16,590

¹Included in Salaries and Wages are management fees relating to the Pathway agreement of \$9,000 for the three months ended March 31, 2022 (2021 - \$9,000)

As at March 31, 2022, the Company had an accounts payable balance of \$nil owing to the CFO included in Salaries and Wages in the table above (March 31, 2021 - \$2,642).

8. Segmented Information

The Company's business consists of only one reportable segment being exploration and evaluation of mineral properties located in Canada.

9. Financial Instruments

As at March 31, 2022, the Company's financial instruments consist of cash, receivables, the cash advance and accounts payable. The Company classifies cash, receivables and the cash advance as financial assets held at amortized cost. The Company classifies accounts payable as financial liabilities, and these are held at amortized cost. The fair value of all of the Company's financial instruments approximates their carrying value.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the three months ended March 31, 2022.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial assets are cash, receivables, and the cash advance. The Company holds its cash in a bank account with a highly rated Canadian financial institution, therefore minimizing the Company's credit risk. Receivables are due from a government agency.

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(Unaudited)

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(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has sufficient funds as of March 31, 2022 to cover its liabilities. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company holds a cash advance in US dollars (note 11). The Company has not hedged its exposure to currency fluctuations. Based on the value of the cash advance at March 31, 2022, a 10% change in the value of the Canadian dollar against the above foreign currency would result in an increase/decrease of approximately \$73,039.

The Company carries no interest-bearing debt and so is not at risk of interest rate movements at present.

10. Capital Management

In the management of capital, the Company includes the components of shareholders' equity. 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 development of its mineral projects for the benefit of its stakeholders. As the Company is in the exploration stage, it has no income from operations, and its principal source of funds is from the issuance of its common shares.

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, enter into joint venture arrangements, or dispose of assets.

The Company's investment practice is to invest its excess cash in highly liquid short-term interest-bearing investments selected with regards to expected timing of its expenditures. The Company is not subject to any externally imposed capital requirements.

11. Subsequent events

On November 17, 2021, the Company entered into a share exchange agreement ("the Agreement") to acquire all outstanding shares of Bridle Capital Ltd., a private company controlled by a related party which holds an option to acquire a 100% interest in the Peru-based Colpayoc gold property through its Peruvian subsidiary in consideration for 36,000,000 shares of the Company, USD\$625,000 and a 1% NSR on the property.

On April 27, 2022, the Company completed the Agreement with Bridle. In connection with the Agreement the Company completed a non-brokered private placement financing of 16,435,000 common shares at \$0.20 per share for gross proceeds of \$3,287,000. The Company paid finder's fees of \$49,500 in connection with the financing.

Prior to the close of the acquisition the Company agreed to advance Bridle funds in order to pay exploration and operating expenses until such time as the transaction closed. During the three months ended March 31, 2022, the Company advanced Bridle \$383,268 to take the total amount owed by Bridle to the Company to USD\$584,500(CAD\$740,043) and CAD\$66,699 as at March 31, 2022 (December 31, 2021 - USD\$335,000(CAD\$423,474)). Now that the transaction has closed, the amount will be treated as an intercompany loan between the Company and Bridle.