

Level 14 Ventures Ltd.

RESTATED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

NOTICE TO READER

The Audit Committee, in consultation with management of the Company, has determined that the Company's condensed consolidated financial statements for the six month period ended June 30, 2022, filed August 29, 2022 should be refiled to amend an identified error in the accounting for the acquisition of Bridle Capital Ltd. and subsequent treatment. A table detailing the changes is included in note 12 to these statements. These restated condensed consolidated financial statements for the six month period ended June 30, 2022 replace and supersede the previously filed interim condensed consolidated financial statements in respect of the same period filed on August 29, 2022.

Level 14 Ventures Ltd.

RESTATED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

Reader's Note:

These restated 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.

RESTATEd CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2022 AND DECEMBER 31, 2021

(Expressed in Canadian dollars - Unaudited)

	Note	June 30, 2022 \$	December 31, 2021 \$
ASSETS			
Current assets			
Cash		2,442,195	748,423
Receivables		25,548	11,731
Prepaid expenses		6,067	-
Cash advance	5	-	424,713
Total current assets		2,473,810	1,184,867
Non-current assets			
Exploration and evaluation asset	4	229,657	229,657
Deferred acquisition costs	5	8,933,747	
Total assets		11,637,214	1,414,524
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	85,826	45,990
Total liabilities		85,826	45,990
SHAREHOLDERS' EQUITY			
Share capital	6	11,751,273	1,323,692
Share-based compensation reserve	6 (c)	54,861	54,861
Warrant reserve	7	581,802	581,802
Deficit		(836,548)	(591,821)
Total shareholders' equity		11,551,388	1,368,534
Total liabilities and shareholders' equity		11,637,214	1,414,524

Nature of operations and going concern (note 1)

Approved by the Board of Directors on April 27, 2023

"Hayley Thomasen"

Director

"Christopher Cooper"

Director

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

LEVEL 14 VENTURES LTD.RESTATED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(Expressed in Canadian dollars - Unaudited)

		Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
	Note	\$	\$	\$	\$
Expenses					
Exploration expenses	4	22,156	33,833	22,156	33,833
Foreign exchange loss		70,809	-	81,700	-
General and administrative	8	8,298	13,513	21,813	20,154
Insurance expense		3,025	2,750	6,050	5,500
Listing and filing fees		3,731	5,135	9,759	11,307
Management fees		9,000	9,000	18,000	18,000
Marketing fees		25,300	-	25,300	-
Professional fees		23,552	9,067	42,099	13,962
Salaries and wages	8	10,625	4,505	17,850	12,095
Loss and comprehensive loss for the period		176,496	77,803	244,727	114,851
Loss per share					
Basic and diluted		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding (basic and diluted)					
		76,534,072	33,170,237	57,910,750	26,887,274

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

LEVEL 14 VENTURES LTD.

RESTATED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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
Shares issued for private placement	6(b)	18,546,000	602,041	417,989	-	-	1,020,030
Shares issuance costs	6(b)	-	(6,311)	(4,382)	-	-	(10,693)
Loss and comprehensive loss for the period		-	-	-	-	(114,851)	(114,851)
Balance, June 30, 2021		39,080,501	1,323,692	581,802	54,861	(434,149)	1,526,206
Balance December 31, 2021		39,080,501	1,323,692	581,802	54,861	(591,821)	1,368,534
Shares issued for private placement	6(b)	16,435,000	3,287,000	-	-	-	3,287,000
Share issuance costs	6(b)	-	(59,419)	-	-	-	(59,419)
Shares issued on asset acquisition	5	36,000,000	7,200,000	-	-	-	7,200,000
Loss and comprehensive loss for the period		-	-	-	-	(244,727)	(244,727)
Balance, June 30, 2022		91,515,501	11,751,273	581,802	54,861	(836,548)	11,551,388

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

LEVEL 14 VENTURES LTD.RESTATED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(Expressed in Canadian dollars - Unaudited)

	Note	Three months ended June 30, 2022 \$	Three months ended June 30, 2021 \$	Six months ended June 30, 2022 \$	Six months ended June 30, 2021 \$
Cash flows provided by (used in)					
Operating Activities					
Loss for the period		(176,496)	(77,803)	(244,727)	(114,851)
Items not affecting cash:					
Unrealized foreign exchange loss		71,659	-	82,550	-
Changes in non-cash working capital:					
Accounts payable and accrued liabilities	8	(43,575)	(13,250)	(37,690)	(31,758)
Prepaid expenses		3,025	2,750	(6,067)	(5,500)
Receivables		(8,545)	4,024	(727)	2,841
		(153,932)	(84,279)	(206,661)	(149,268)
Financing Activities					
Issuance of Share capital	6(b)	3,287,000	1,020,030	3,287,000	1,020,030
Share issuance costs	6(b)	(59,419)	(10,693)	(59,419)	(10,693)
Repayment of loan	5	(814,820)	-	(814,820)	-
		2,412,761	1,009,337	2,412,761	1,009,337
Investing Activities					
Advance to Bridle Capital Ltd.	5	-	-	(383,268)	-
Acquisition of Bridle Capital Ltd.	5	76,477	-	76,477	-
Transaction costs on acquisition	5	(3,000)	-	(3,000)	-
Deferred acquisition costs	5	(202,537)	-	(202,537)	-
		(129,060)	-	(512,328)	-
Increase in cash for the period		2,129,769	925,058	1,693,772	860,069
Cash - beginning of period		312,426	383,379	748,423	448,368
Cash - end of period		2,442,195	1,308,437	2,442,195	1,308,437
Non-cash financing and investing activities					
Shares issued for acquisition of Bridle Capital Ltd.	5	7,200,000	-	7,200,000	-

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

LEVEL 14 VENTURES LTD.

RESTATEd CONDENSED CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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 two wholly-owned subsidiaries, 1246931 (“1246931”) B.C. Ltd and Bridle Capital Ltd (“Bridle”) which are 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 held through 1246931; the Green Mountain Property (note 4), located in British Columbia, Canada.

In addition to the Green Mountain Property, the Company has an option agreement, through its subsidiary Bridle, to acquire Colpayoc SAC (“Colpayoc”) which owns the Jose IV, Jose V, and El Ferrol properties in Cajamarca, Peru (note 5).

These restated 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 \$244,727 for the six months ended June 30, 2022, and as at June 30, 2022 had an accumulated deficit of \$836,548. 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.

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 restated 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 restated 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 restated 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 except for the addition of the below:

Foreign currency translation and transactions

The functional currency of the Company and its subsidiaries is determined based on the currency of the primary economic environment in which it operates. The functional currency of Level 14 and all its subsidiaries is the Canadian dollar, which is the same as the presentation currency.

LEVEL 14 VENTURES LTD.

RESTATED CONDENSED CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

(Unaudited)

Expressed in Canadian dollars unless otherwise stated

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary and non-monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Basis of Presentation

These restated 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 restated condensed consolidated interim financial statements are presented in Canadian Dollars, which is the functional currency of the Company and its subsidiaries.

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.
- Management considers the acquisition of Bridle to be an acquisition of assets rather than a business. The Company considered Bridle's inputs, processes and outputs in its deliberation and found that the acquisition did not meet the requirements to constitute a business as per IFRS 3.
- The functional currency of the Company is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders functional currency if there is a change in events and conditions which determine the primary economic environment.
- The Company has entered into an agreement to acquire a company holding mineral projects. The expenditures incurred on the mineral projects are being accounted for as advances toward the purchase of a company interest in accordance with IFRS 10 and capitalized to the statement of financial position. Upon attaining control of the company, the Company will consolidate it as a subsidiary. On a quarterly basis, the Company assesses the deferred acquisition costs to determine if any impairment indicators are present.

LEVEL 14 VENTURES LTD.

RESTATED CONDENSED CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

(Unaudited)

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Estimates

- In calculating the fair value of the share-based compensation and warrants, management uses the Black Scholes Option Pricing Model which includes estimates related to the Company's share price volatility and expected life of the instruments.
- In calculating the fair value of the flow-through shares and warrants, management uses the Black Scholes Option Pricing Model which includes estimates related to the Company's share price volatility and expected life of the instruments.
- The fair value of the assets and liabilities purchased with Bridle Capital Ltd. on April 27, 2022 (note 5) have been estimated by management by allocating the fair value of the consideration shares which were issued in the concurrent financing.
- 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. The assessment includes project plan evaluation, exploration rights, project economics, political instability, mineral prices and other applicable factors.

4. Exploration and Evaluation Asset

Green Mountain Property

On October 7, 2020 the Company acquired 1246931 B.C. Ltd at a cost of \$229,657 from a related party. 1246931 B.C. Ltd. owns the mineral rights of the Green Mountain Property, located in British Columbia, Canada. The property is subject to a net smelter returns royalty ("NSR") of 1.5% in favor of the vendor.

Exploration expenditures

During the six months ended June 30, 2022 and 2021 the Company incurred the following exploration expenditures, which were expensed as incurred:

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Green Mountain				
Field office costs	-	5,735	-	5,735
Geological	13,490	28,098	13,490	28,098
	13,490	33,833	13,490	33,833
Project investigation costs				
Geological	8,666	-	8,666	-
	8,666	-	8,666	-
Total	22,156	33,833	22,156	33,833

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RESTATED CONDENSED CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

(Unaudited)

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5. Deferred Acquisition Costs

	Six months ended June 30, 2022	Year ended December 31, 2021
Opening balance		
Fair value allocated per Bridle acquisition	8,731,209	-
Advances to Colpayoc	202,538	-
Closing balance	8,933,747	-

Bridle Acquisition

On April 27, 2022 the Company acquired a 100% interest in Bridle from vendors that included a related party (note 8) for 36,000,000 common shares of the Company valued at \$7,200,000. Bridle holds an option agreement to acquire Colpayoc, which owns interests in the Jose IV, Jose V and El Ferrol properties. In addition the Company agreed to repay a US\$624,431 (C\$799,084) shareholder loan held by Bridle. The Company incurred \$3,000 in legal costs relating to the transaction. The properties are subject to a 2% NSR on the Jose properties and a 1% NSR on the El Ferrol property in favor of the vendors.

The acquisition was treated as an acquisition of assets and the consideration allocated to the acquired assets and liabilities based on estimated fair values at the time of acquisition. Any residual value has been allocated to deferred acquisition costs.

Allocation of the purchase price to the estimated fair value of assets and liabilities:

Purchase price:

Common shares issued	\$7,200,000
Legal costs	\$3,000
Total purchase price	\$7,203,000

Net assets acquired:

Cash	\$76,477
Accounts receivable	\$13,090
Accounts payable and accrued liabilities	(\$77,526)
Loan payable to Level 14	(\$741,166)
Loan payable to shareholder	(\$799,084)
Deferred acquisition costs	\$8,731,209
Total net assets acquired	\$7,203,000

At the time of the acquisition there was an outstanding shareholder loan payable held by Bridle of US\$624,431 (C\$799,084) due to the vendor of Bridle. The loan payable was paid in full on June 23, 2022 for C\$814,820. The Company had advanced \$424,317 (US\$335,000) to Bridle as at December 31, 2021 and with further advances of \$316,849 (US\$249,500) was owed \$741,166 (US\$584,500) at the time of acquisition.

Colpayoc

Through the acquisition of Bridle, the Company assumed its option agreement with Colpayoc to earn up to 100% of Colpayoc, which holds the Jose IV and V mineral claims located in Cajamarca, Peru. In addition, the Company has an option

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(Unaudited)

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agreement with Sociedad Minera Chetilla S.R.L. to acquire 100% of the El Ferrol mineral claims, also located in Cajamarca, Peru. The Company is the operator of the program and is solely funding Colpayoc.

Jose IV and V

The Company may earn a 75% interest in Colpayoc upon completion of US\$3 million in expenditures within two years of the Approvals date (the date in which all approvals required to perform full exploration of the property including all permits is granted, this date has not yet been determined due to instability in the region) and a US\$1,500,000 payment to the optionors. After earning the 75% interest, the Company can acquire the remaining 25% upon completion of an additional US\$2,000,000 in expenditures within four years of the Approvals date and a US\$1,500,000 payment to the optionors. A payment of \$689,386 (US\$500,000) has been made to the optionors towards this agreement and \$608,428 (US\$475,446) (inclusive of pre-acquisition costs) towards expenditures as of December 31, 2022. These amounts are included in deferred acquisition costs.

El Ferrol

The Company may earn a 100% interest in the El Ferrol property through payments of US\$250,000 to the optionors by July 7, 2024. The Company paid \$74,687 (US\$50,000) towards this agreement as at June 30, 2022 and is included in deferred acquisition costs.

6. 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 six months ended June 30, 2022

On April 27, 2022, the Company completed its acquisition of Bridle Capital Ltd (note 5 and 8) through the issuance of 36,000,000 common shares valued at \$7,200,000.

In connection with the acquisition, the Company completed a non-brokered private placement financing and issued 16,435,000 common shares at a price of \$0.20 per share for total gross proceeds of \$3,287,000. The Company paid finder's fees of \$59,419 in connection with a portion of the financing.

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 7).

c) Stock Options

LEVEL 14 VENTURES LTD.

RESTATED CONDENSED CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

(Unaudited)

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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 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 six months ended June 30 2022, the total share-based payment recognized by the Company was \$nil (2021 - \$nil).

As at June 30, 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	1.46 years
1,000,000	1,000,000	\$0.10	September 18, 2025	3.22 years

d) Shares in Escrow

As at June 30, 2022, 7,473,150 (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.

7. 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 and June 30, 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 6 (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:

	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

LEVEL 14 VENTURES LTD.

RESTATED CONDENSED CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

(Unaudited)

Expressed in Canadian dollars unless otherwise stated

As at June 30, 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	3.25 years
18,546,000	18,546,000	\$0.10	April 30, 2026	3.83 years

8. 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 and six months ended June 30, 2022, Level 14 paid or accrued \$15,000 and \$30,000 respectively to Pathway under the agreement (2021 - \$15,000 and \$30,000), these expenses are included under general and administrative expenses and management fees in the consolidated statement of loss and comprehensive loss. As at June 30, 2022, Level 14 had an accounts payable balance of \$29,974 owing to Pathway (December 31, 2021 - \$nil).

On April 27, 2022 the Company acquired Bridle and issued 30,000,000 common shares valued at \$6,000,000 to a significant shareholder. The Company also granted a 1% NSR on the Jose IV, Jose V and El Ferrol properties, and repaid the \$814,820 (US\$624,431) shareholder loan of Bridle (note 5).

As at June 30, 2022 members of the Board of Directors and certain officers of the Company and their close family members ownership of the Company was 84.34% (2021 – 81.15%).

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.

During the three and six months ended June 30, 2022, the Company’s compensation cost for key management personnel was as follows:

	Three Months ended June 30, 2022	Three Months ended June 30, 2021	Six Months ended June 30, 2022	Six Months ended June 30, 2021
Salaries and Wages ¹	19,625	13,505	35,850	30,095
Share-based compensation	-	-	-	-
Total	19,625	13,505	35,850	30,095

¹Included in Salaries and Wages are management fees relating to the Pathway agreement of \$9,000 and \$18,000 for the three and six months respectively ended June 30, 2022 (2021 - \$9,000 and \$18,000, respectively)

As at June 30, 2022, the Company had an accounts payable balance of \$nil owing to the CFO included in Salaries and Wages in the table above (December 31, 2021 - \$nil).

LEVEL 14 VENTURES LTD.

RESTATED CONDENSED CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

(Unaudited)

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9. Segmented Information

The Company's business consists of only one reportable segment being exploration and evaluation of mineral properties located in Canada. Non-current assets by country are as follows:

	\$	June 30, 2022			December 31, 2021		
		Canada	Peru	Total	Canada	Peru	Total
Exploration and evaluation asset		229,657	-	229,657	229,657	-	229,657
Deferred acquisition costs		-	8,933,748	8,933,748	-	-	-
	\$	229,657	8,933,748	9,163,405	229,657	-	229,657

10. Financial Instruments

As at June 30, 2022, the Company's financial instruments consist of cash, cash advances, receivables, and accounts payable. The Company classifies cash, cash advances and receivables 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 six months ended June 30, 2022 or 2021.

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 and receivables. The Company holds its cash in bank accounts with highly rated financial institutions, therefore minimizing the Company's credit risk. Receivables are due from government agencies.

(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 June 30, 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.

LEVEL 14 VENTURES LTD.

RESTATED CONDENSED CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

(Unaudited)

Expressed in Canadian dollars unless otherwise stated

As at June 30, 2022, the Company is exposed to currency risk through its assets and liabilities denominated in US dollars and Peruvian nuevo soles. A significant change in these exchange rates could have an adverse effect on the Company's results of operations, financial position, or cash flows. The Company has not hedged its exposure to currency fluctuations.

Based on the balances held in foreign currencies as at June 30, 2022, and assuming all other variables remain constant, a 10% change in the value of the Canadian dollar against the US dollar and Peruvian nuevo soles would result in an increase/decrease of approximately \$15,027 in assets.

11. 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. The Company's approach to capital management has not changed in the periods presented.

12. Restatement

Subsequent to the filing of the Company's unaudited condensed consolidated interim financial statements for the six months ended June 30, 2022, the Company identified the following errors:

1. One of the entities (Colpayoc SAC) acquired in the Bridle acquisition, which was consolidated in the unaudited condensed consolidated interim financial statements for the six months ended June 30, 2022, was not fully controlled by Bridle and so should not have been consolidated. This entity has been deconsolidated in these restated condensed consolidated interim financial statements.
2. Since the entity deconsolidated was the entity which owned the Jose IV, V and El Ferrol properties, the asset should have been considered a deferred asset upon completion of the option agreement as opposed to an exploration asset. In these restated condensed consolidated interim financial statements the entity has been accounted for as a deferred asset.

The effect of the restatement on this restated condensed consolidated interim statement of financial position, restated condensed consolidated interim statement of loss and comprehensive loss and restated condensed consolidated interim statement of changes in shareholders' equity is detailed as follows:

	As previously reported	Net change	June 30, 2022 (restated)
<u>Statement of financial position</u>			
Cash	\$ 2,451,126	\$ (8,931)	\$ 2,442,195
Receivables	75,982	(50,434)	25,548
Exploration asset	8,909,100	(8,679,443)	229,657
Deferred asset	-	8,933,747	8,933,747
Accounts payable	(95,572)	9,746	(85,826)
Share capital	(11,761,192)	9,919	(11,751,273)

LEVEL 14 VENTURES LTD.RESTATED CONDENSED CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

(Unaudited)

Expressed in Canadian dollars unless otherwise stated

Deficit	1,052,082	(215,534)	836,548
Accumulated other comprehensive income	(930)	930	-
	<u>\$ 630,596</u>	<u>\$ -</u>	<u>\$ 630,596</u>

Statement of loss and comprehensive loss

Exploration expenses	\$ 233,116	\$ (210,960)	\$ 22,156
Business development expenses	9,177	(9,177)	-
General and administrative	13,652	8,161	21,813
Listing and filing fees	9,771	(12)	9,759
Professional fees	104,735	(62,636)	42,099
Foreign exchange loss	21,680	60,020	81,700
	<u>\$ 392,131</u>	<u>\$ (214,604)</u>	<u>\$ 177,527</u>

Statement of changes in shareholders' equity

Deficit	\$ (1,052,082)	\$ 215,534	\$ (836,548)
Accumulated other comprehensive income	930	(930)	-
Share capital	11,761,192	(9,919)	11,751,273
	<u>\$ 10,710,040</u>	<u>\$ 204,685</u>	<u>\$ 10,914,725</u>