



Liberty Gold Corp.

An exploration stage company

Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2021

(Expressed in US Dollars)

LIBERTY GOLD CORP.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in United States Dollars- unaudited)

	As at September 30, 2021	As at December 31, 2020
	\$	\$
Assets		
<i>Current assets</i>		
Cash and cash equivalents	17,478,276	16,734,378
Short term investments	97,406	97,388
Receivables and prepayments (Note 5)	1,022,175	505,464
Receivable on Halilağa Transaction (Note 5)	5,656,310	5,816,308
	<u>24,254,167</u>	<u>23,153,538</u>
Assets classified as held for sale (Note 6)	-	829,736
Total current assets	<u>24,254,167</u>	<u>23,983,274</u>
<i>Non-current assets</i>		
Receivable on Halilağa Transaction (Note 5)	-	5,377,858
Other financial assets (Note 7)	2,426,805	6,340,876
Deposits	599,376	356,203
Sales taxes receivable (Note 5)	448,326	610,805
Plant and equipment	1,044,507	566,499
Exploration and evaluation assets (Note 8a)	24,086,745	23,158,168
Total non-current assets	<u>28,605,759</u>	<u>36,410,409</u>
Total assets	<u>52,859,926</u>	<u>60,393,683</u>
Liabilities and Shareholders' Equity		
<i>Current liabilities</i>		
Consideration towards the sale of Kinsley (Note 8b)	4,289,986	4,290,007
Accounts payable and accrued liabilities (Note 9)	2,273,332	1,434,789
Lease liabilities	254,207	159,213
	<u>6,817,525</u>	<u>5,884,009</u>
Liabilities directly associated with assets classified as held for sale (Note 6)	-	122,500
Total current liabilities	<u>6,817,525</u>	<u>6,006,509</u>
<i>Non-current liabilities</i>		
Lease liabilities	332,992	247,814
Deferred tax liabilities (Note 10)	2,134,883	1,866,740
Other liabilities	146,809	22,887
Total non-current liabilities	<u>2,614,684</u>	<u>2,137,441</u>
<i>Shareholders' equity</i>		
Share capital (Note 11)	212,691,883	201,996,513
Contributed surplus (Note 11)	29,351,208	29,621,385
Accumulated other comprehensive loss	(8,255,696)	(8,280,782)
Accumulated deficit	(198,166,606)	(179,160,645)
Total shareholders' equity	<u>35,620,789</u>	<u>44,176,471</u>
Non controlling interest (Note 13)	<u>7,806,928</u>	<u>8,073,262</u>
Total liabilities and shareholders' equity	<u>52,859,926</u>	<u>60,393,683</u>

The notes on pages 5 to 16 are an integral part of these condensed interim consolidated financial statements.

The board has delegated the authority to approve these condensed interim consolidated financial statements to the audit committee. These condensed interim consolidated financial statements were approved by the audit committee on November 10, 2021.

"Donald McInnes", Director

"Sean Tetzlaff", Director

LIBERTY GOLD CORP.
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in United States Dollars - unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Operating expenses				
Exploration and evaluation expenditures (Note 8b)	(5,951,246)	(3,577,995)	(11,402,379)	(7,124,904)
Stock based compensation (Note 11b)	(468,088)	(258,296)	(1,610,207)	(1,074,539)
Wages and benefits	(505,280)	(346,598)	(1,429,840)	(980,290)
Office and general	(258,987)	(168,371)	(762,724)	(494,594)
Professional fees	(64,041)	(59,796)	(268,885)	(214,354)
Depreciation	(80,737)	(70,494)	(232,009)	(198,348)
Investor relations, promotion and advertising	(101,010)	(58,063)	(211,402)	(261,230)
Listing and filing fees	(4,772)	(10,268)	(125,130)	(39,366)
Loss from operations	(7,434,161)	(4,549,881)	(16,042,576)	(10,387,625)
Other income (expenses)				
Net gain on sale on Mineral Properties (Note 6)	-	-	712,735	-
Consideration received on purchase-option agreements (Note 8b)	250,000	-	451,731	158,238
Finance income on the Halilağa Transaction (Note 5)	133,099	80,858	462,144	80,858
Net gain (loss) on sale of other financial assets (Note 7)	(5,366)	(112,394)	93,980	83,175
Finance income (expense)	(6,986)	15,288	(3,357)	104,169
Other income (loss) (Note 12)	10,691	13,395	(305,398)	33,293
Foreign exchange gains (losses)	463,730	(93,593)	(101,676)	32,168
Change in fair value of other financial assets (Note 7)	(684,265)	(1,825,074)	(4,271,735)	(97,149)
Net gain on sale of interest in Halilağa	-	19,101,153	-	19,101,153
Net gain on sale of Net Profit Interest	-	-	-	1,374,376
	160,903	17,179,633	(2,961,576)	20,870,281
Net income (loss) before tax	(7,273,258)	12,629,752	(19,004,152)	10,482,656
Income tax expense	(21,044)	(186,706)	(268,143)	(456,463)
Net income (loss) for the period	(7,294,302)	12,443,046	(19,272,295)	10,026,193
Net income (loss) attributable to:				
Shareholders	(7,251,234)	12,866,227	(19,005,961)	10,705,317
Non-controlling interests (Note 13)	(43,068)	(423,181)	(266,334)	(679,124)
	(7,294,302)	12,443,046	(19,272,295)	10,026,193
Other comprehensive income (loss)				
Items that may be reclassified subsequently to net income				
Exchange gains (losses) on translations	(777,160)	519,575	25,086	(178,646)
Other comprehensive income (loss) for the period, net of tax	(777,160)	519,575	25,086	(178,646)
Total income (loss) and comprehensive income (loss) for the period	(8,071,462)	12,962,621	(19,247,209)	9,847,547
Net income (loss) attributable to:				
Shareholders	(8,036,202)	13,385,802	(18,988,683)	10,526,671
Non-controlling interests	(35,260)	(423,181)	(258,526)	(679,124)
Total income (loss) and comprehensive income (loss) for the period	(8,071,462)	12,962,621	(19,247,209)	9,847,547
Net income (loss) per share				
Basic and diluted loss per share	\$ (0.03)	\$ 0.05	\$ (0.07)	\$ 0.04
Weighted average number of Common Shares				
Basic and diluted	268,151,467	246,661,805	264,505,908	244,280,517

The notes on pages 5 to 16 are an integral part of these condensed interim consolidated financial statements.

LIBERTY GOLD CORP.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in United States Dollars - unaudited)

	Number of Common Shares #	Share capital \$	Contributed surplus \$	Accumulated other comprehensive income (loss) \$	Accumulated deficit \$	Total shareholders' equity \$	Non-controlling interest \$	Total equity \$
Balance as at December 31, 2019	239,282,259	192,753,629	29,558,938	(9,478,048)	(186,642,351)	26,192,168	8,515,923	34,708,091
Option, RSU and Warrant exercises	7,822,601	4,305,715	(865,512)	-	-	3,440,203	-	3,440,203
Stock based compensation	-	-	1,341,579	-	-	1,341,579	-	1,341,579
Contributions by non-controlling interest	-	-	-	-	-	-	23,000	23,000
Cumulative translation adjustment	-	-	-	(494,221)	-	(494,221)	-	(494,221)
Reclassification of previously recognised cumulative translation adjustment	-	-	-	315,575	(315,575)	-	-	-
Net income (loss) for the period	-	-	-	-	11,020,892	11,020,892	(679,124)	10,341,768
Balance as at September 30, 2020	247,104,860	197,059,344	30,035,005	(9,656,694)	(175,937,034)	41,500,621	7,859,799	49,360,420
Balance as at December 31, 2020	255,491,893	201,996,513	29,621,385	(8,280,782)	(179,160,645)	44,176,471	8,073,262	52,249,733
Option, RSU and Warrant exercises (Note 11b)	18,221,658	10,695,370	(2,440,792)	-	-	8,254,578	-	8,254,578
Stock based compensation (Note 11b)	-	-	2,170,615	-	-	2,170,615	-	2,170,615
Cumulative translation adjustment	-	-	-	25,086	-	25,086	-	25,086
Net loss for the period	-	-	-	-	(19,005,961)	(19,005,961)	(266,334)	(19,272,295)
Balance as at September 30, 2021	273,713,551	212,691,883	29,351,208	(8,255,696)	(198,166,606)	35,620,789	7,806,928	43,427,717

The notes on pages 5 to 16 are an integral part of these condensed interim consolidated financial statements.

LIBERTY GOLD CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in United States Dollars - unaudited)

	Nine months ended September 30,	
	2021	2020
	\$	\$
Cash flows from operating activities		
Income (loss) for the period	(19,272,295)	10,026,193
Adjusted for:		
Stock based compensation (Note 11b)	2,170,615	1,341,579
Depreciation	239,357	200,132
Finance income on the Halilağa Transaction (Note 5)	(462,144)	(80,858)
Net gain on sale of interest in Halilağa	-	(19,101,153)
Consideration received on purchase-option agreements (Note 8b)	(451,731)	(158,238)
Net gain on sale of Mineral Properties (Note 6b)	(712,735)	-
Change in fair value, and losses on disposal of financial assets	4,177,755	13,974
Deferred tax expense	268,143	456,463
Other non-cash items on the statement of loss	41,912	31,827
Foreign exchange not related to cash	(45,836)	240,657
Net gain on sale of Net Profit Interest	-	(1,374,376)
 Movements in working capital:		
Accounts receivable and prepayments	(173,278)	(53,542)
Accounts payable and other liabilities	766,736	399,668
Net cash outflow due to operating activities	<u>(13,453,501)</u>	<u>(8,057,674)</u>
 Cash flows from financing activities		
Cash received from exercise of share based payments and warrants	8,254,578	3,440,203
Contributions from non-controlling interest	-	23,000
Principal payments on lease liabilities	(174,902)	(163,249)
Interest payments on lease liabilities	(38,011)	(35,077)
Net cash inflow from financing activities	<u>8,041,665</u>	<u>3,264,877</u>
 Cash flows from investing activities		
Closing consideration on sale of Halilağa, net of selling costs	6,000,000	5,971,778
Consideration on sale of Mineral Properties, net of selling costs	24,586	-
Consideration received on purchase-option agreements (Note 8i)	25,000	1,399,570
Proceeds from sale of other financial assets (Note 7)	1,103,841	418,530
Purchase of other financial assets (Note 7)	(310,088)	(127,069)
Land acquisition at Black Pine (Note 8a)	(352,739)	-
Purchase and proceeds of sale of property and equipment	(363,734)	(10,709)
Increase to surety bond collateral	(82,000)	-
Consideration on sale of Net Profit Interest, net of selling costs	-	787,379
Net cash inflow due to investing activities	<u>6,044,866</u>	<u>8,439,479</u>
Effect of foreign exchange rates	<u>110,768</u>	<u>(615,277)</u>
Net increase in cash and cash equivalents	743,798	3,031,405
Less: net decrease in cash and cash equivalents from assets classified as held for sale	-	2,042
Cash and cash equivalents at beginning of the period	16,734,478	14,367,657
Cash and cash equivalents at end of the period	<u>17,478,276</u>	<u>17,401,104</u>

The above condensed interim consolidated statement of cash flows should be read in conjunction with the accompanying notes.

LIBERTY GOLD CORP.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements**

Nine months ended September 30, 2021

(Expressed in United States Dollars, unless otherwise noted -unaudited)

1. GENERAL INFORMATION

Liberty Gold Corp. ("Liberty Gold" or the "Company") is incorporated and domiciled in Canada, and its registered office is at Suite 1900 – 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

The Company was incorporated as "7703627 Canada Inc." under the Canada Business Corporations Act ("CBCA") on November 18, 2010. Articles of amendment were filed on November 29, 2010 to change the name of the Corporation to "Pilot Gold Inc." Articles of amendment were subsequently filed on May 9, 2017 to change the name of the Company to Liberty Gold Corp.

Liberty Gold is an exploration stage business engaged in the acquisition and exploration of mineral properties located primarily in the United States of America and Turkey.

The Company has not yet determined whether its properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amounts capitalized for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of the properties.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2021 (the "Interim Financial Statements") have been prepared in accordance with IAS 34 - *Interim Financial Reporting*. The Interim Financial Statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2020 ("Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the Annual Financial Statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these Interim Financial Statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Financial Statements.

5. RECEIVABLES AND PREPAYMENTS

	September 30, 2021	December 31, 2020
Sales taxes receivable	\$ 12,314	\$ 20,454
Other receivables	800,279	352,625
Prepayments	209,582	132,385
	\$ 1,022,175	\$ 505,464

LIBERTY GOLD CORP.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements**

Nine months ended September 30, 2021

(Expressed in United States Dollars, unless otherwise noted -unaudited)

5. RECEIVABLES AND PREPAYMENTS (continued)

An additional \$448,326 in sales taxes receivable is classified as non-current and is expected to be recoverable when production begins or upon the sale of TV Tower (December 31, 2020: \$610,805). Included in other receivables in the nine month period ended September 30, 2021 are \$485,657 in warrant exercise funds not yet received from the Company's transfer agent, and a \$250,000 receivable from Huntsman Exploration Inc. ("Huntsman") pursuant to the amended purchase option agreement on the Baxter Spring gold project ("Amended Baxter Option Agreement") (See Note 8ii for details).

(a) Receivable on Halilağa Transaction

On August 12, 2020 the Company closed the sale of its interest in the Halilağa property (the "Halilağa Transaction") to Cengiz Holdings A.Ş. ("Cengiz") pursuant to a definitive agreement signed on July 12, 2019 (the "Halilağa Agreement"). The Company's interest in Halilağa was held through a 40% shareholding in Truva Bakır Maden İşletmeleri A.Ş. ("Truva Bakır") and the remaining 60% of this Turkish entity was held by Teck Madencilik Sanayi Ticaret A.Ş. ("TMST"). Pursuant to the terms of the Halilağa Agreement, the Company and TMST agreed to jointly sell their 100% interest in Truva Bakır to Cengiz for \$55,000,000 cash, to be paid in stages over a two-year period and apportioned pro-rata to their ownership interests. The Company will receive a total of \$22,000,000 in accordance with its 40% interest.

The Company has received \$16,000,000 pursuant to the terms of the Halilağa Transaction as at September 30, 2021, and expect to receive the remaining \$6,000,000 in a guaranteed staged payment on August 11, 2022 (the "Halilağa Staged Payment").

The Halilağa Staged Payment is classified as financial assets at amortised cost and were recognized at a fair value on recognition. The Halilağa Staged Payment had a value of \$5,242,361 on recognition. The fair value on initial recognition was calculated based on cash flows discounted using a current lending rate.

As at September 30, 2021, the Halilağa Staged Payment has a carrying value of \$5,656,310. Finance income on the Halilağa Transaction of \$462,144 has been recognised in the statement of income (loss) in the period ended September 30, 2021.

6. ASSETS HELD FOR SALE

	Stateline	Easter	Kinsley	Total
Assets classified as held for sale	\$ 92,601	\$ 34,627	\$ 702,508	\$ 829,736
Liabilities directly associated with assets classified as held for sale	\$ -	\$ -	\$ 122,500	\$ 122,500
Net assets classified as held for sale as at December 31, 2020	\$ 92,601	\$ 34,627	\$ 580,008	\$ 707,236
Net assets classified as held for sale as at September 30, 2021	\$ -	\$ -	\$ -	\$ -

(a) Assets and liabilities of Kinsley disposal group

New Placer Dome Gold Corp ("New Placer Dome") did not pay the required anniversary payment due on June 2, 2021 pursuant to the terms of the Amended Kinsley Sale Agreement (as defined in Note 8bi). As at September 30, 2021, this anniversary payment remains outstanding. The Company and New Placer Dome signed a further amending agreement subsequent to period end on November 5, 2021 (See Note 8bi for details). The Company has reclassified the associated assets and liabilities of the Kinsley Mountain Gold Project in Nevada ("Kinsley"), including the acquisition costs being reclassified to exploration and evaluation assets (Note 8a).

LIBERTY GOLD CORP.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements**

Nine months ended September 30, 2021

(Expressed in United States Dollars, unless otherwise noted -unaudited)

6. ASSETS HELD FOR SALE (continued)

(b) Assets and Liabilities of Stateline and Easter disposal groups

On November 18, 2020 the Company entered into a definitive agreement to sell an exploration portfolio consisting of three 100%-owned properties (Anchor, Stateline and Sandy) and three 49%-owned properties (Brik, Easter and Viper) (together, the "Raindrop Properties") to Raindrop Ventures Inc. ("Raindrop"). Stateline and Easter had capitalised acquisition costs of \$92,601 and \$34,627, respectively, and the remaining Raindrop Properties had capitalised acquisition costs of nil.

Both Stateline and Easter are included within the United States geographical segment.

On March 3, 2021, the Company closed the sale of the Raindrop Properties. In consideration for the Raindrop Properties, the Company received \$50,000 in cash and 4,013,406 common shares of Raindrop ("Raindrop Shares"), representing 9.9% of Raindrop's issued and outstanding common shares with a fair value of \$824,875 on the acquisition date. The Raindrop Shares are subject to a 12 month voluntary hold period.

The Company recognised a gain on sale of \$712,735 on the sale of the Raindrop Properties, net of the capitalised acquisition costs of Stateline and Easter, and selling costs in the nine-month period ended September 30, 2021.

7. OTHER FINANCIAL ASSETS

From time to time, the Company may make strategic investments in other private or publicly traded entities. These investments are treated as long-term investments and may take the form of common shares or share purchase warrants.

Inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement are summarized in the three level hierarchies below:

- *Level 1:* Unadjusted quoted prices in active markets for identical assets or liabilities;
- *Level 2:* Inputs other than quoted prices that are observable for the asset or liability directly or indirectly and;
- *Level 3:* Inputs that are not based on observable market data.

	September 30, 2021	December 31, 2020
Huntsman Exploration Inc.	\$ 882,205	\$ 2,646,632
New Placer Dome Gold Corp.	590,025	2,464,238
Raindrop Ventures Inc.	787,498	-
Other	167,077	700,217
Total Level 1 equity securities	\$ 2,426,805	\$ 5,811,087
Ely Gold Warrants	-	529,789
Total Level 2 equity securities	\$ -	\$ 529,789
Total Level 1 and Level 2 equity securities	\$ 2,426,805	\$ 6,340,876

During the period ending September 30, 2021, the Company received 2,500,000 Fremont Gold Ltd. ("Fremont") common shares pursuant to the terms of the purchase-option agreement to sell the Griffon project to Fremont, and also received 4,013,406 Raindrop shares (See Note 6b for details).

During the period ending September 30, 2021, the Company exercised 900,000 share purchase warrants ("Ely Gold Warrants") of Ely Gold Royalties Inc. ("Ely Gold") for C\$0.43 per warrant and received 900,000 common shares of Ely Gold ("Ely Gold Shares"). The Company sold 1,240,000 Ely Gold Shares during the period for a weighted average price of C\$1.05.

LIBERTY GOLD CORP.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements**

Nine months ended September 30, 2021

(Expressed in United States Dollars, unless otherwise noted -unaudited)

7. OTHER FINANCIAL ASSETS (continued)

In the three and nine months ended September 30, 2021, the Company recognized a net loss on sale of \$5,366, and a net gain on sale of \$93,980, respectively (three month period ended September 30, 2020: net loss of \$112,394; nine month period ended September 30, 2020: net gain on sale of \$83,175), from the exercise of Ely Gold Warrants, and the sale of Ely Gold Shares and other financial assets.

The Company recognised losses of \$684,265 and \$4,271,735 in the statement of income (loss) for the three and nine month periods ended September 30, 2021 respectively (three month period ended September 30, 2020: loss of \$1,825,074; nine month period ended September 30, 2020: loss of \$97,149) on the change in fair value of other financial assets relating to the equity securities held.

8. EXPLORATION AND EVALUATION ASSETS

Currently none of the Company's properties have any known body of commercial ore or any established economic deposit; all are in the exploration stage.

(a) Details of the Company's property acquisition costs capitalised to exploration and evaluation assets are as follows:

	December 31, 2020	Additions	Reclassification from Asset Held for Sale (Note 6)	September 30, 2021
USA				
Black Pine	\$ 1,010,927	\$ 352,739	\$ -	\$ 1,363,666
Goldstrike	8,486,985	-	-	8,486,985
Kinsley	-	-	575,838	575,838
Total USA	\$ 9,497,912	\$ 352,739	\$ 575,838	\$ 10,426,489
Turkey				
TV Tower	\$ 13,660,256	\$ -	\$ -	\$ 13,660,256
Total Turkey	\$ 13,660,256	\$ -	\$ -	\$ 13,660,256
Total	\$ 23,158,168	\$ 352,739	\$ 575,838	\$ 24,086,745

The acquisition costs related to the Kinsley property have been reclassified from an asset held for sale to exploration and evaluation assets which is discussed in Note 6.

LIBERTY GOLD CORP.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements**

Nine months ended September 30, 2021

(Expressed in United States Dollars, unless otherwise noted -unaudited)

8. EXPLORATION AND EVALUATION ASSETS (continued)

(b) Details of the Company's exploration and evaluation expenditures, which have been cumulatively expensed in the consolidated statement of comprehensive loss are as follows:

	Black Pine	Goldstrike	Properties under Option	Total USA	TV Tower	Other Exploration	Total
December 31, 2019	\$ 6,282,814	\$ 18,617,650	\$ 23,547,558	\$ 48,448,022	\$ 34,363,261	\$ 3,671,218	\$ 86,482,501
Drilling and assays	3,427,488	9,198	-	3,436,686	100,653	-	3,537,339
Wages and salaries	1,039,210	55,216	12,603	1,107,029	58,321	6,579	1,171,929
Road & site prep.	162,548	142,656	8,910	314,114	-	-	314,114
Metallurgy	445,907	788	-	446,695	-	-	446,695
Other	1,183,514	238,259	938	1,422,711	197,679	34,437	1,654,827
September 30, 2020	\$ 12,541,481	\$ 19,063,767	\$ 23,570,009	\$ 55,175,257	\$ 34,719,914	\$ 3,712,234	\$ 93,607,405
December 31, 2020	\$ 15,486,499	\$ 19,169,375	\$ 23,572,607	\$ 58,228,481	\$ 35,220,175	\$ 3,711,747	\$ 97,160,403
Drilling and assays	5,005,827	853,214	-	5,859,041	-	-	5,859,041
Wages and salaries	1,612,628	221,707	882	1,835,217	79,986	-	1,915,203
PEA and resource	628,950	38,969	-	667,919	-	-	667,919
Metallurgy	603,419	2,588	-	606,007	-	-	606,007
Other	1,693,851	399,175	-	2,093,026	258,761	2,422	2,354,209
September 30, 2021	\$ 25,031,174	\$ 20,685,028	\$ 23,573,489	\$ 69,289,691	\$ 35,558,922	\$ 3,714,169	\$ 108,562,782

Wages and salaries include stock-based compensation. Other Exploration comprises exploration expenditures on mineral interests that the Company does not hold the rights to. Properties under Option are comprised of the Kinsley and Griffon properties.

(i) Kinsley Option Agreement

On December 2, 2019 and as subsequently amended on May 1, 2020, the Company entered into a definitive option agreement for the sale of 100% of the Company's interest in Kinsley to New Placer Dome. Pursuant to the terms of the amending agreement (the "Amended Kinsley Sale Agreement"), the Company will receive an aggregate of \$6,250,000 in cash and share value plus a 9.9% interest in New Placer Dome.

On June 2, 2020, the Company announced the closing of the Amended Kinsley Sale Agreement and the receipt of the initial option payments as defined below.

On November 5 2021, a further amendment has been signed to the Amended Kinsley Sale Agreement ("Further Amended Kinsley Sale Agreement"), modifying the original option payments as follows, with no changes to the total value of the consideration:

- \$1,250,000 plus common shares in New Placer Dome ("NPD Shares") totalling 9.9% of issued and outstanding NPD Shares on a post-consolidation and post-acquisition financing basis (subject to a contractual 12 month hold period) (received on June 2, 2020), (combined the "Initial Option Payment").
- \$1,250,000 in cash and \$1,250,000 in value of NPD Shares (subject to a 12 month hold period) as soon as is practicable after approval by the TSX Venture Exchange anticipated no later than November 12, 2021,
- \$1,250,000 in cash and \$1,250,000 in value of NPD Shares on or before June 2, 2022 (subject to a 4-month statutory hold period), and

LIBERTY GOLD CORP.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements**

Nine months ended September 30, 2021

(Expressed in United States Dollars, unless otherwise noted -unaudited)

8. EXPLORATION AND EVALUATION ASSETS (continued)

- a 1% Net Smelter Return Royalty (“NSR”) on the acquired interest in Kinsley, of which up to one-half percent (0.5%) can be repurchased by New Placer Dome for \$500,000.

At September 30, 2021, the Initial Option Payment received by the Company consists of the following:

Cash consideration	\$ 1,250,000
Repayment of surety bond deposit	124,570
Fair value of common shares in New Placer Dome received ¹	2,722,992
Consideration towards the sale of Kinsley at June 2, 2020	\$ 4,097,562
Foreign exchange differences	192,445
Consideration towards the sale of Kinsley at December 31, 2020	\$ 4,290,007
Foreign exchange differences	(21)
Consideration towards the sale of Kinsley at September 30, 2021	\$ 4,289,986

¹ Receipt of 8,844,124 NPD Shares, representing 9.9% of New Placer Dome's issued and outstanding common shares.

The Initial Option Payment received has been recorded as a current liability as at September 30, 2021. The liability will be extinguished either upon the exercise of the option or upon option termination by New Placer Dome.

The Initial Option Payment received pursuant to the Amended Kinsley Sale Agreement is a derivative. It is a financial instrument measured at fair value through profit and loss using Level 3 inputs as there is no observable market data available. Other than the impact of foreign exchange, no factors affecting the fair value of the Initial Option Payment in the time from the initial recognition to the period end were identified.

(ii) *Griffon Project*

On December 16, 2019, the Company entered into an agreement to sell the Griffon project to Fremont through a purchase-option agreement (“Griffon Agreement”) and the agreement was subsequently amended on December 14, 2020 (“Amended Griffon Agreement”). In the period ending September 30, 2021, the Company received \$25,000 and 2,500,000 common shares in Fremont as part of the Amended Griffon Agreement. The fair value of the 2,500,000 common shares of Fremont was \$176,731 on the date of acquisition.

Terms of the Amended Griffon Agreement include:

- \$25,000 upon executing the Griffon Agreement (the “Execution Date”) (received in December 2019),
- \$25,000 and 2,500,000 Fremont common shares to be issued to the Company following TSX Venture Exchange approval of the Griffon Agreement (received in January 2020),
- \$25,000 and 2,500,000 Fremont common shares on the first anniversary of the Execution Date (received in January 2021),
- \$50,000 on the second anniversary of the Execution Date,
- \$75,000 and 2,500,000 Fremont common shares on the third anniversary of the Execution Date,
- \$100,000 and 2,500,000 Fremont common shares on the fourth anniversary of the Execution Date, and
- 1% NSR which may be repurchased by Fremont for \$1,000,000

The option payments received in the nine month period ending September 30, 2021 of \$201,731 were recognised as income in the statement of income (loss) as the carrying value of the Griffon property is nil.

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8. EXPLORATION AND EVALUATION ASSETS (continued)*(iii) Baxter Spring Project*

On August 28, 2020 the Company signed an option agreement with Huntsman for the Baxter Spring property (the "Baxter Option Agreement").

Pursuant to the terms of the Baxter Option Agreement, the Company will receive:

- \$250,000 on the closing date of the Baxter Option Agreement (received November 2020);
- A number of common shares in Huntsman (Huntsman Shares) equal to 19.5% of the issued and outstanding Huntsman Shares, (subject to a one year hold period) (received 14,986,890 Huntsman Shares in November 2020);
- \$250,000 on or before November 12, 2021 (the "Final Baxter Payment")
- a 2% NSR;
- a 36 month right to reacquire a 35% interest in Baxter Spring for \$1,000,000 ("Back-in Right").

On September 22, 2021, Huntsman exercised their option on Baxter Springs and pursuant to the terms of the Amended Baxter Option Agreement the Final Baxter Payment will be a committed payment to be paid on or before May 31, 2022 and the Back-in Right has been waived by the Company.

The Company has recognised income in the statement of income (loss) of \$250,000 in the period ending September 30, 2021 as the acquisition costs capitalised for Baxter Spring are nil.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2021	December 31, 2020
Trade payables	\$ 1,576,993	\$ 801,116
Decommissioning liability - current	370,300	340,300
Accrued liabilities	311,940	166,330
Other payables	14,099	127,043
	\$ 2,273,332	\$ 1,434,789

Accounts payable and accrued liabilities are non-interest bearing and are normally settled on 30-day terms.

Non-current other liabilities as at September 30, 2021 include a decommissioning liability of \$122,500 relating to the Kinsley property (December 31, 2020: \$122,500).

10. DEFERRED TAX LIABILITY

A deferred tax liability of \$2,134,883 has been recognised in the period ended September 30, 2021 arising from foreign exchange differences in the tax basis of the TV Tower mineral property held by Orta Truva (December 31, 2020: \$1,866,740).

11. SHARE CAPITAL AND CONTRIBUTED SURPLUS*(a) Authorized*

Unlimited Common Shares with no par value.

(b) Stock-based compensation

For the three and nine month periods ended September 30, 2021, the Company charged a total of \$653,339 and \$2,170,615 of stock-based compensation expense to the statement of income (loss) (three months ended September 30, 2020: \$360,264; nine months ended September 30, 2020: \$1,341,579) of which \$185,250 and \$560,408, respectively, is attributed to exploration and evaluation expenditures (three months ended September 30, 2020: \$101,968; nine months ended September 30, 2020: \$267,040).

LIBERTY GOLD CORP.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements**

Nine months ended September 30, 2021

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11. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)*i) Stock Options*

Options granted to date under Option Plan, are exercisable over a period of five years. In accordance with the Option Plan, the exercise price of each Option shall under no circumstances be lower than the closing market price of the Company's stock on the trading day immediately before the date of grant. Options granted to Directors vest immediately, the remaining options vest in thirds at the end of each year from the date of grant. Any consideration paid by the optionee on the exercise of options is recorded to share capital.

Option transactions and the number of options outstanding are summarized as follows:

	Options	Weighted Average Exercise Price
	#	C\$
Balance, December 31, 2020	17,519,666	0.77
Options granted	1,802,250	1.48
Options expired	(200,000)	1.19
Options exercised	(4,525,468)	0.51
Balance, September 30, 2021	14,596,448	0.93

The weighted average share price at the date of exercise for stock options exercised during the period was C\$1.50.

At September 30, 2021, Liberty Gold had incentive options issued to directors, officers, employees and key consultants to the Company outstanding as follows:

Range of prices	Number of Options outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number of Options exercisable	Weighted average exercise price of Options exercisable
	#	(in years)	C\$	#	C\$
C\$0.01 to C\$0.99	9,819,198	2.13	0.61	7,088,371	0.57
C\$1.00 to C\$1.99	4,602,250	4.29	1.58	1,593,917	1.57
C\$2.00 to C\$2.99	175,000	3.77	2.18	108,334	2.21
	14,596,448	2.83	0.93	8,790,622	0.77

For the purposes of estimating the fair value of options using Black-Scholes, certain assumptions are made such as the expected dividend yield, volatility of the market price of the Company's shares, risk-free interest rates and expected average life of the options.

The weighted average fair value of options granted during nine months ended September 30, 2021 determined using Black-Scholes was C\$0.68 per option. The weighted average significant inputs into the model included a share price of C\$1.47 at the grant date, an exercise price of C\$1.47, a volatility of 58%, a dividend yield of 0%, an expected option life of 4.42 years and an annual risk-free interest rate of 0.79%. A weighted average 10.2% forfeiture rate was applied to the option expense.

LIBERTY GOLD CORP.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements**

Nine months ended September 30, 2021

(Expressed in United States Dollars, unless otherwise noted -unaudited)

11. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)*ii) Restricted Share Units*

RSUs granted under the Liberty Gold RSU Plan to employees and service providers of the Company vest in thirds at the end of each year from the date of grant, with the exception of a portion of those granted which vest immediately.

Transactions relating to RSUs are summarised as follows:

	RSUs
	#
Balance, January 1, 2021	2,576,039
RSUs granted	550,000
RSUs released	(562,879)
Balance, September 30, 2021	2,563,160

Expiry Date	Number of RSUs outstanding	Weighted average remaining contractual life	Number of RSUs vested
	#	(in years)	#
December 31, 2021	430,000	0.25	430,000
December 31, 2022	736,816	1.25	300,153
December 31, 2023	846,344	2.25	96,344
December 31, 2024	550,000	3.25	50,000
	2,563,160	1.84	876,497

Subsequent to period end, 150,000 RSUs were exercised by employees of the Company.

iii) Deferred Share Units

DSUs granted under the Liberty Gold DSU Plan to Directors of the Company, have no expiration date and are redeemable upon termination of service.

Transactions relating to DSUs are summarised as follows:

	DSUs
	#
Balance, January 1, 2021	2,133,986
DSUs granted	59,689
Balance, September 30, 2021	2,193,675

LIBERTY GOLD CORP.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements**

Nine months ended September 30, 2021

(Expressed in United States Dollars, unless otherwise noted -unaudited)

11. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)*iv) Warrants*

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
	#	C\$
Balance, January 1, 2021	25,471,311	0.61
Warrants exercised	(13,133,311)	0.62
Balance, September 30, 2021	12,338,000	0.60

Subsequent to period end, 12,243,000 warrants were exercised at an exercise price of C\$0.60 for total proceeds of C\$7,345,800. Additionally, 95,000 warrants at an exercise price of C\$0.60 expired.

12. OTHER EXPENSES

In the nine month period ending September 30, 2021, the Company fell victim to a cyber-scam that resulted in the Company making a payment of \$326,900 which could not be recovered. The fraudulent payment made has been recorded as a loss in the statement of income (loss) in the period.

13. NON-CONTROLLING INTEREST

The Company holds a 79.99% interest in KG LLC, the entity that holds the underlying lease and directly held claims that comprise the Kinsley Mountain property (together, "Kinsley"). The remaining 20.01% interest is held by Intor Resources Corporation ("Intor"). As of June 2, 2020, the Company's interest in Kinsley is under option with New Placer Dome. Pursuant to the Amended Kinsley Sales Agreement, New Placer Dome is responsible for maintaining all mining claim maintenance fees, and to satisfy all expenditure obligations. There was no change in the value of the non-controlling interest during the nine months ended September 30, 2021 (nine months ended September 30, 2020: \$300,253)

Liberty Gold owns a 62.9% controlling interest of the TV Tower property through a 62.9% ownership stake in Orta Truva. The remaining 37.1% interest is held by TMST.

Summary financial information Orta Truva is as set out below and is shown before intercompany eliminations. The loss in Orta Truva relates to exploration and evaluation expenditures, foreign exchange and the deferred tax expense (Note 10).

(a) Summarised Balance Sheet

	September 30, 2021	December 31, 2020
Current		
Assets	\$ 177,209	\$ 41,034
Liabilities	(105,253)	(88,347)
Total Current net liabilities	\$ 71,956	\$ (47,313)
Non-Current		
Assets	\$ 1,820,090	\$ 1,987,255
Liabilities	(2,134,883)	(1,866,740)
Total Non-current net assets	\$ (314,793)	\$ 120,515
Net Assets	\$ (242,837)	\$ 73,202

LIBERTY GOLD CORP.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements**

Nine months ended September 30, 2021

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13. NON-CONTROLLING INTEREST (continued)

(b) Summarised Statement of Loss

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Statement of Loss	\$ 116,086	\$ 470,667	\$ 717,881	\$ 957,723
Other comprehensive Loss	-	-	-	-
Loss and other comprehensive Loss	\$ 116,086	\$ 470,667	\$ 717,881	\$ 957,723

(c) Summarised cash flows

	Nine months ended September 30,	
	2021	2020
Net cash flow from:		
operating activities	\$ (273,091)	\$ (248,039)
financing activities	401,841	708,880
investing activities	-	-
Net increase (decrease) in cash	\$ 128,750	\$ 460,841
Cash at the beginning of the period	32,269	87,110
Cash at the end of the period	\$ 161,019	\$ 547,951

14. SEGMENT INFORMATION

The Company's operations are in one segment, the exploration for gold, copper and other precious and base metals. Consistent with December 31, 2020, Liberty Gold has three geographic locations at September 30, 2021: Canada, the United States and Turkey. The total assets attributable to the geographic locations relate primarily to the exploration and evaluation assets held by the Company which have been disclosed in Note 8a.

The net income (loss) is distributed by geographic segment per the table below:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Canada	\$ (1,526,288)	\$ 16,533,688	\$ (7,606,887)	\$ 16,533,593
USA	(5,749,175)	(3,597,149)	(10,930,258)	(5,623,609)
Turkey	(18,839)	(493,493)	(735,150)	(883,791)
	\$ (7,294,302)	\$ 12,443,046	\$ (19,272,295)	\$ 10,026,193

Plant and equipment are distributed by geographic segment per the table below:

	September 30, 2021	December 31, 2020
Canada	\$ 272,138	\$ 345,557
USA	755,255	197,080
Turkey	17,114	23,862
	\$ 1,044,507	\$ 566,499

The Company is in the exploration stage and accordingly, has no reportable segment revenues.

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15. RELATED PARTY TRANSACTIONS

In addition to the following, the Company's related parties include its subsidiaries, and associates over which it exercises significant influence.

Oxygen Capital Corp

Oxygen is a private company owned by three directors of the Company. Oxygen provides access to administrative and finance personnel, office rental, the use of assets including Information Technology infrastructure and other administrative functions on an as-needed basis that would not necessarily otherwise be available to Liberty Gold at this stage of the Company's development. Oxygen does not charge a fee to the Company, allocating all expenses at cost.

Transactions with Oxygen during the three and nine months ended September 30, 2021 total \$160,620 and \$489,336 in expenditures respectively, reflected in the Company's interim consolidated statement of income (loss) and comprehensive income (loss) (three months ended September 30, 2020: \$156,011; nine months ended September 30, 2020: \$420,088). As at September 30, 2021, Oxygen holds a refundable deposit of \$155,191 on behalf of the Company (December 31, 2020: \$128,506). Additionally, as at September 30, 2021 the Company held a payable to Oxygen of \$56,139, that was settled subsequent to September 30, 2021 (December 31, 2020: \$51,382).

Compensation of key management personnel

Key management includes members of the Board, the President and Chief Executive Officer, the VP Exploration, the Chief Financial Officer & Corporate Secretary, and the Turkish Country Manager. In the nine month period ending September 30, 2021, key management also includes the Chief Operating Officer, and VP Business Development.

The aggregate total compensation paid, or payable to key management for employee services directly or via Oxygen is shown below:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Salaries and other short-term employee benefits	\$ 371,088	\$ 256,522	\$ 919,839	\$ 762,690
Share-based payments	359,948	167,109	1,342,237	872,573
Total	\$ 731,036	\$ 423,631	\$ 2,262,076	\$ 1,635,263