



**Liberty Gold Corp.**  
An exploration stage company

**Condensed Interim Consolidated Financial Statements**  
**Three months ended March 31, 2020**  
(Expressed in US Dollars)

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

	As at March 31, 2020	As at December 31, 2019
	<u>\$</u>	<u>\$</u>
<b>Assets</b>		
<i>Current assets</i>		
Cash and cash equivalents	14,967,529	14,367,657
Short term investments	92,618	96,367
Receivables and prepayments (Note 6)	189,652	183,702
	<u>15,249,799</u>	<u>14,647,726</u>
Assets classified as held for sale (Note 7)	2,123,851	2,248,618
Total current assets	<u>17,373,650</u>	<u>16,896,344</u>
<i>Non-current assets</i>		
Other financial assets (Note 8)	745,075	106,799
Deposits	356,449	353,086
Sales taxes receivable (Note 6)	551,714	603,122
Plant and equipment	643,228	743,720
Exploration and evaluation assets (Note 9a)	23,406,265	23,406,265
Total non-current assets	<u>25,702,731</u>	<u>25,212,992</u>
<b>Total assets</b>	<u>43,076,381</u>	<u>42,109,336</u>
 <b>Liabilities and Shareholders' Equity</b>		
<i>Current liabilities</i>		
Contribution towards the sale of Halilaga (Note 7)	4,000,000	4,000,000
Accounts payable and accrued liabilities (Note 10)	838,544	1,063,186
Lease liabilities	204,819	217,654
	<u>5,043,363</u>	<u>5,280,840</u>
Liabilities directly associated with assets classified as held for sale (Note 7)	122,500	122,500
Total current liabilities	<u>5,165,863</u>	<u>5,403,340</u>
<i>Non-current liabilities</i>		
Lease liabilities	295,604	369,366
Deferred tax liabilities (Note 11)	1,803,384	1,606,497
Other liabilities (Note 10)	21,714	22,042
Total non-current liabilities	<u>2,120,702</u>	<u>1,997,905</u>
<i>Shareholders' equity</i>		
Share capital (Note 12)	195,187,555	192,753,629
Contributed surplus (Note 12)	29,789,170	29,558,938
Accumulated other comprehensive loss	(10,587,492)	(9,478,048)
Accumulated deficit	(186,996,482)	(186,642,351)
Total shareholders' equity	<u>27,392,751</u>	<u>26,192,168</u>
Non controlling interest (Note 13)	<u>8,397,065</u>	<u>8,515,923</u>
<b>Total liabilities and shareholders' equity</b>	<u>43,076,381</u>	<u>42,109,336</u>

The notes on pages 5 to 15 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 May 13, 2020.

"Donald McInnes", Director

"Sean Tetzlaff", Director

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

	Three months ended March 31,	
	2020	2019
	<u>\$</u>	<u>\$</u>
Operating expenses		
Exploration and evaluation expenditures (Note 9b)	794,715	673,109
Stock based compensation (Note 12b)	672,530	80,605
Wages and benefits	346,995	356,887
Office and general	171,843	175,523
Professional fees	81,301	62,210
Investor relations, promotion and advertising	93,422	66,187
Depreciation	63,102	63,978
Listing and filing fees	16,065	37,515
<b>Loss from operations</b>	<u>2,239,973</u>	<u>1,516,014</u>
Other income (expenses)		
Consideration received on sale of Net Profit Interest (Note 9b)	1,386,997	-
Consideration received on purchase-option agreement (Note 9b)	158,238	-
Foreign exchange gains	344,692	46,066
Finance income (expenses)	90,199	(1,045)
Other income	4,152	47,874
Change in fair value of other financial assets	(43,407)	18,047
Loss from associates (Note 7)	-	(28,808)
	<u>1,940,871</u>	<u>82,134</u>
Loss before tax	299,102	1,433,880
Income tax expense	196,887	99,013
<b>Loss for the period</b>	<u>495,989</u>	<u>1,532,893</u>
<b>Loss attributable to:</b>		
Shareholders	354,131	1,416,236
Non-controlling interests (Note 13)	141,858	116,657
	<u>495,989</u>	<u>1,532,893</u>
<b>Other comprehensive loss</b>		
Items that may be reclassified subsequently to net income		
Exchange gains (losses) on translations	(1,109,444)	128,077
Other comprehensive income (loss) for the period, net of tax	<u>(1,109,444)</u>	<u>128,077</u>
<b>Total loss and comprehensive loss for the period</b>	<u>1,605,433</u>	<u>1,404,816</u>
<b>Loss attributable to:</b>		
Shareholders	1,463,575	1,288,159
Non-controlling interests	141,858	116,657
<b>Total loss and comprehensive loss for the period</b>	<u>1,605,433</u>	<u>1,404,816</u>
<b>Loss per share</b>		
Basic and diluted loss per share	<u>\$ -</u>	<u>\$ 0.01</u>
Weighted average number of Common Shares		
Basic and diluted	241,778,296	206,539,836

The notes on pages 5 to 15 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, 2018	206,189,175	179,702,675	29,165,756	(9,639,935)	(175,059,401)	24,169,095	8,765,515	32,934,610
RSU and Warrant exercises	986,323	312,231	(273,034)	-	-	39,197	-	39,197
Stock based compensation	-	-	120,031	-	-	120,031	-	120,031
Contributions by non-controlling interest	-	-	-	-	-	-	117,544	117,544
Cumulative translation adjustment	-	-	-	128,077	-	128,077	-	128,077
Net loss for the period	-	-	-	-	(1,416,236)	(1,416,236)	(116,657)	(1,532,893)
Balance as at March 31, 2019	207,175,498	180,014,906	29,012,753	(9,511,858)	(176,475,637)	23,040,164	8,766,402	31,806,566
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 (Note 12b)	4,326,000	2,433,926	(517,891)	-	-	1,916,035	-	1,916,035
Stock based compensation (Note 12b)	-	-	748,123	-	-	748,123	-	748,123
Contributions by non-controlling interest	-	-	-	-	-	-	23,000	23,000
Cumulative translation adjustment	-	-	-	(1,109,444)	-	(1,109,444)	-	(1,109,444)
Net loss for the period	-	-	-	-	(354,131)	(354,131)	(141,858)	(495,989)
Balance as at March 31, 2020	243,608,259	195,187,555	29,789,170	(10,587,492)	(186,996,482)	27,392,751	8,397,065	35,789,816

The notes on pages 5 to 15 are an integral part of these condensed interim consolidated financial statements.

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

	Three months ended March 31,	
	2020	2019
	\$	\$
<b>Cash flows from operating activities</b>		
Loss for the year	(495,989)	(1,532,893)
Adjusted for:		
Stock based compensation (Note 12b)	748,123	120,031
Deferred tax expense	196,887	99,013
Depreciation	63,361	63,978
Change in fair value, impairment and gains (losses) on disposal of financial instruments	43,407	(18,047)
Other non-cash items on the statement of loss	14,311	56,297
Foreign exchange not related to cash	8,186	(128,300)
Total consideration on sale of Net Profit Interest (Note 9b)	(1,386,997)	-
Total consideration on sale of purchase-option agreement (Note 9b)	(158,238)	-
Loss from associates	-	28,808
Movements in working capital:		
Accounts receivable and prepayments	(52,099)	(90,586)
Accounts payable and other liabilities	(182,991)	100,744
Net cash outflow due to operating activities	<u>(1,202,039)</u>	<u>(1,300,955)</u>
<b>Cash flows from financing activities</b>		
Cash received from exercise of share based payments and warrants	1,884,200	-
Contributions from non-controlling interest (Note 13)	23,000	117,544
Principal payments on lease liabilities	(51,652)	(44,905)
Interest payments on lease liabilities	(12,435)	(16,094)
Net cash inflow from financing activities	<u>1,843,113</u>	<u>56,545</u>
<b>Cash flows from investing activities</b>		
Consideration on sale of Net Profit Interest	800,000	-
Consideration on purchase-option agreement	25,000	-
Purchase and proceeds of sale of property and equipment	-	(2,525)
Net cash inflow (outflow) due to investing activities	<u>825,000</u>	<u>(2,525)</u>
Effect of foreign exchange rates	<u>(860,912)</u>	<u>176,881</u>
Net increase (decrease) in cash and cash equivalents	605,162	(1,070,054)
Less: net increase in cash and cash equivalents from assets classified as held for sale	(5,290)	-
Cash and cash equivalents at beginning of the year	14,367,657	7,783,601
Cash and cash equivalents at end of the year	<u>14,967,529</u>	<u>6,713,547</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**

Three months ended March 31, 2020

(Expressed in United States Dollars, unless otherwise noted)

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#### **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 three months ended March 31, 2020 (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, 2019 (“Annual Financial Statements”), which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

#### **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. THE NOVEL CORONAVIRUS (COVID-19) PANDEMIC**

In March 2020, the World Health Organization declared a global pandemic related to the novel coronavirus (COVID-19). The expected impacts on global commerce are anticipated to be far reaching. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company are not yet determinable; however they may have an adverse impact on the Company’s financial position, results of operations and cash flows in 2020. In particular, there may be heightened risk of mineral property impairment and liquidity or going concern uncertainty.

During the period ended March 31, 2020, the Company has made efforts to safeguard the health of its employees, while continuing to operate safely and responsibly maintain employment and economic activity. This includes the adoption of a work from home and no-fly policy for the Company’s office employees in early March, and the establishment of strict internal and external protocols for our employees, contractors and associates at our exploration properties. As at March 31, 2020, there has been no material impact to the Company.

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

Three months ended March 31, 2020

(Expressed in United States Dollars, unless otherwise noted)

**6. RECEIVABLES AND PREPAYMENTS**

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Sales taxes receivable	\$ 11,632	\$ 22,840
Other receivables	64,981	35,488
Prepayments	113,039	125,374
	<b>\$ 189,652</b>	<b>\$ 183,702</b>

An additional \$551,714 in sales taxes receivable is classified as non-current and is expected to be recoverable when production begins, at or upon the sale of TV Tower (December 31, 2019: \$603,122). Receivables and prepayments associated with assets held for sale are described in Note 7.

**7. ASSETS HELD FOR SALE**

<b>As at March 31, 2020</b>	<b>Halilaga</b>	<b>Kinsley</b>	<b>Total</b>
Assets classified as held for sale	\$ 1,413,844	\$ 710,007	<b>\$ 2,123,851</b>
Liabilities directly associated with assets classified as held for sale	\$ -	\$ 122,500	<b>\$ 122,500</b>
<b>As at December 31, 2019</b>	<b>Halilaga</b>	<b>Kinsley</b>	<b>Total</b>
Assets classified as held for sale	\$ 1,538,626	\$ 709,992	<b>\$ 2,248,618</b>
Liabilities directly associated with assets classified as held for sale	\$ -	\$ 122,500	<b>\$ 122,500</b>

**(a) Net assets of disposal group held for sale**

Liberty Gold owns 40% of Halilağa through a 40% ownership stake in Truva Bakır Maden İşletmeleri A.Ş. ("Truva Bakır"), a Turkish company that is controlled (60%) by Teck Madencilik Sanayi Ticaret A.Ş. ("TMST"). Truva Bakır is private, and as such fair values of the Company's investment is not determinable through an active market.

On July 11, 2019, the Company entered into a share purchase agreement with Cengiz Holdings A.Ş. ("Cengiz"), TMST and Truva Bakır (the "Halilağa Agreement") for the sale of its interest in Halilağa property (the "Halilağa Transaction") to Cengiz. Pursuant to the terms of the Halilağa Agreement, the Company and TMST have agreed to jointly sell their 100% interest in Truva Bakır, to Cengiz for \$55 million cash, to be paid in four stages over a two-year period.

The consideration will be apportioned 60% to TMST and 40% to Liberty Gold, pro-rata to their ownership interests. As a result of the Halilağa Transaction, Liberty Gold will receive a total of \$22 million under the following payment schedule:

- \$4,000,000 nonrefundable payment (received November 2019)
- \$6,000,000 on closing of the amended sale agreement, anticipated on or before August 15th, 2020
- \$6,000,000 on the first anniversary of the closing date, anticipated on August 15th, 2021
- \$6,000,000 on the second anniversary of the closing date, anticipated on August 15th, 2022

Closing of the Halilağa Transaction is subject to customary conditions including the approval of the Turkish Ministry of Energy and Natural Resources.

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

Three months ended March 31, 2020

(Expressed in United States Dollars, unless otherwise noted)

**7. ASSETS HELD FOR SALE (continued)**

At March 31, 2020, the investment in Truva Bakir was stated at carrying value and comprised of the following:

At January 1, 2019	\$ 1,496,952
Share of loss <sup>1</sup>	(101,665)
Funding by the Company	74,400
Foreign exchange differences	68,939
<b>Net assets at December 31, 2019</b>	<b>\$ 1,538,626</b>
Foreign exchange differences	(124,782)
<b>Net assets at March 31, 2020</b>	<b>\$ 1,413,844</b>

<sup>1</sup> Share of loss recognized prior to asset held for sale classification on November 16, 2019 upon the signing of the Amended Agreement.

Halilağa is included within the Turkey geographical segment.

The \$4 million non-refundable contribution received from Cengiz has been recorded as a current liability as at March 31, 2020. The liability will be extinguished either upon closing of the Halilağa Transaction or upon contract termination by Cengiz.

The \$4 million non-refundable contribution received pursuant to the Halilağa 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. The consideration received was initially recognized at fair value which equaled the initial cash payment of \$4 million as stipulated in the Halilağa Agreement. No factors affecting the fair value of the \$4 million non-refundable contribution in the time from the initial recognition to the period end were identified.

(b) Assets and liabilities of Kinsley disposal group

On December 2, 2019, the Company signed a definitive agreement for the sale of 100% of the Company's interest in the Kinsley Mountain Gold Project in Nevada ("Kinsley") to Barrian Mining Corp ("Barrian") (the "Kinsley Sale Agreement").

Subsequent to period end on May 1, 2020, the Kinsley Sale Agreement was amended, and pursuant to the terms of the amending agreement (the "Amended Kinsley Sale Agreement"), the Company will receive \$6,250,000 in cash and share value plus a 9.9% interest in Barrian post-consolidation. The total consideration will be paid in three stages over a 2-year period as follows:

- \$1,250,000 on the closing date plus common shares in Barrian ("Barrian Shares") totalling 9.9% of issued and outstanding Barrian Shares on a post-consolidation and post-acquisition financing basis (subject to a contractual 12 month hold period).
- \$2,500,000 on or before the 1st anniversary of the closing date subject to final approval of the Kinsley Transaction by the TSX Venture Exchange.
- Barrian Shares with a value of \$2,500,000 on or before the 2nd anniversary of the closing date (subject to a 4-month statutory hold period).
- 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 Barrian for \$500,000.

Closing of the transaction is subject to the completion of financing by Barrian and other customary conditions including approval by the TSX Venture Exchange.



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

Three months ended March 31, 2020

(Expressed in United States Dollars, unless otherwise noted)

**7. ASSETS HELD FOR SALE (continued)**

At March 31, 2020, Kinsley was stated at carrying value and comprised of the following assets and liabilities:

Cash and cash equivalents	\$ 7,432
Receivables and prepayments	1,379
Exploration and evaluation assets	575,838
Deposits	125,358
<b>Assets held for sale</b>	<b>\$ 710,007</b>
<hr/>	
Other liabilities	122,500
<b>Liabilities held for sale</b>	<b>\$ 122,500</b>

Kinsley is included within the United States geographical segment.

(c) Cumulative income or expenses

There are no cumulative income or expenses recognized in the statement of loss relating to the disposal groups since being designated as held for sale.

**8. 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.

As at March 31, 2020, Liberty Gold holds equity securities with a total fair value of \$745,075 (December 31, 2019: \$106,799), of which \$166,373 in fair value is attributable to Level 1 equity securities and \$578,702 is attributable to Level 2 equity securities.

During the period ended March 31, 2020, we received 2,500,000 common shares of Fremont Gold Ltd. ("Fremont") and 2,000,000 share purchase warrants of Ely Gold Royalties, Inc. ("Ely Gold") which is further described in Note 9b. The 2,500,000 common shares of Fremont are a Level 1 measurement as per the fair value hierarchy summarized above and has a fair value of \$123,503 as at March 31, 2020.

The Level 2 fair value of the 2,000,000 share purchase warrants of Ely Gold as at March 31, 2020 is \$578,702 and has been derived using Black-Scholes. The key inputs under this approach included the share price at grant date, the exercise price per the agreement, expected volatility, dividend yield, expected life, and the annual risk-free interest rate.

**9. 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. Expenditures at Halilağa are recorded in the Company's investment in Truva Bakır, an associate that is classified as held for sale (Note 7).

- (a) The acquisition expenditures relating to the Company's interest in ten exploration properties in Nevada and Utah have been aggregated and are described as 'Portfolio Properties' in the tables below.

**LIBERTY GOLD CORP.**

**(An exploration stage company)**

**Notes to the Condensed Interim Consolidated Financial Statements**

Three months ended March 31, 2020

(Expressed in United States Dollars, unless otherwise noted)

**9. EXPLORATION AND EVALUATION ASSETS (continued)**

There were no additions during the three months ended March 31, 2020, or in the year ended December 31, 2019:

	December 31, 2019	March 31, 2020
<b>USA</b>		
Goldstrike	\$ 8,486,985	\$ 8,486,985
Black Pine	1,010,927	1,010,927
Portfolio Properties (Note 9b)	248,097	248,097
<b>Total USA</b>	<b>\$ 9,746,009</b>	<b>\$ 9,746,009</b>
<b>Turkey</b>		
TV Tower	\$ 13,660,256	\$ 13,660,256
<b>Total Turkey</b>	<b>\$ 13,660,256</b>	<b>\$ 13,660,256</b>
<b>Total</b>	<b>\$ 23,406,265</b>	<b>\$ 23,406,265</b>

(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:

	Goldstrike	Kinsley Mountain	Black Pine	Portfolio properties	Total USA	TV Tower	Other Exploration	Total
December 31, 2018	\$ 17,174,228	\$ 20,376,305	\$ 1,483,774	\$ 2,508,608	<b>\$ 41,542,915</b>	\$ 34,090,058	\$ 3,546,102	<b>\$ 79,179,075</b>
Drilling and assays	10,334	-	-	-	<b>10,334</b>	-	-	<b>10,334</b>
Wages and salaries	107,646	6,897	55,239	-	<b>169,782</b>	19,463	9,842	<b>199,087</b>
Other	246,676	9,637	60,091	-	<b>316,404</b>	121,301	25,983	<b>463,688</b>
<b>March 31, 2019</b>	<b>\$ 17,538,884</b>	<b>\$ 20,392,839</b>	<b>\$ 1,599,104</b>	<b>\$ 2,508,608</b>	<b>\$ 42,039,435</b>	<b>\$ 34,230,822</b>	<b>\$ 3,581,927</b>	<b>\$ 79,852,184</b>
December 31, 2019	\$ 18,617,650	\$ 21,007,717	\$ 6,282,814	\$ 2,539,841	<b>\$ 48,448,022</b>	\$ 34,363,261	\$ 3,671,218	<b>\$ 86,482,501</b>
Drilling and assays	3,198	-	29,564	-	<b>32,762</b>	-	-	<b>32,762</b>
Wages and salaries	28,005	1,678	222,378	9,198	<b>261,259</b>	10,531	-	<b>271,790</b>
PEA and resource	75	-	76,890	-	<b>76,965</b>	-	-	<b>76,965</b>
Metallurgy consultants	-	-	125,417	-	<b>125,417</b>	-	-	<b>125,417</b>
Other	22,655	-	170,502	280	<b>193,437</b>	87,296	7,048	<b>287,781</b>
<b>March 31, 2020</b>	<b>\$ 18,671,583</b>	<b>\$ 21,009,395</b>	<b>\$ 6,907,565</b>	<b>\$ 2,549,319</b>	<b>\$ 49,137,862</b>	<b>\$ 34,461,088</b>	<b>\$ 3,678,266</b>	<b>\$ 87,277,217</b>

Wages and salaries include stock based compensation. Other Exploration comprises exploration expenditures on mineral interests that the Company does not hold the rights to.

(i) *Portfolio Properties, USA*

On December 16, 2019, the Company entered into an agreement to sell the Griffon project to Fremont through a purchase-option agreement ("Griffon Agreement"). In the three month period ended March 31, 2020, the Company received \$25,000 and 2,500,000 common shares in Fremont as part of the Griffon Agreement. The fair value of the 2,500,000 common shares of Fremont was \$133,238 on the date of acquisition.

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

Three months ended March 31, 2020

(Expressed in United States Dollars, unless otherwise noted)

**9. EXPLORATION AND EVALUATION ASSETS (continued)**

Terms of the 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)
- \$50,000 and the number of Fremont common shares that will bring the Company’s total ownership of Fremont’s issued and outstanding common shares to 9.9% on the first anniversary of the Execution Date.
- \$50,000 on the second anniversary of the Execution Date.
- \$75,000 on the third anniversary of the Execution Date.
- \$100,000 on the fourth anniversary of the Execution Date.
- 1% NSR which may be repurchased by Fremont for \$1,000,000

*(ii) Other Exploration*

On March 12, 2020, the Company announced the close of the sale of its Net Profit Interest (“NPI”) in the Regent Hill Property, Nevada to Ely Gold. Upon close of the sale, the Company received \$800,000 and 2,000,000 share purchase warrants for Ely Gold common shares, exercisable at C\$0.43 per warrant until December 18, 2021. The fair value of the 2,000,000 share purchase warrants was \$586,997 on the date of acquisition.

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Trade payables	\$ 407,497	\$ 620,781
Decommissioning liability - current	270,300	294,300
Accrued liabilities	151,534	136,332
Other payables	9,213	11,773
	<b>\$ 838,544</b>	<b>\$ 1,063,186</b>

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

During the period ended March 31, 2020, the current decommissioning liability relating to the Company’s Black Pine property was increased by \$3,500 (year ended December 31, 2019: increase of \$178,000). The decommissioning liability relating to the Company’s Goldstrike property was decreased by \$27,500 in the period ended March 31, 2020 (year ended December 31, 2019: increase of \$20,000).

Non-current other liabilities as at March 31, 2020 include a decommissioning liability of \$122,500 (December 31, 2019: \$122,500) relating to the Kinsley property, and is further described in the assets held for sale note (Note 7).

**11. DEFERRED TAX LIABILITY**

A deferred tax liability of \$1,803,385 has been recognised in the period ended March 31, 2020 arising from foreign exchange differences in the tax basis of the TV Tower mineral property held by Orta Truva (December 31, 2019: \$1,606,497).

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

Unlimited Common Shares with no par value.

*(b) Stock-based compensation*

For the three months ended March 31, 2020, the Company charged a total of \$748,123 of stock-based compensation expense to the statement of loss (three months ended March 31, 2019: \$120,031) of which \$75,593 is attributed to exploration and evaluation expenditures (three months ended March 31, 2019: \$39,426).

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

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

Options granted under the Liberty Gold Stock Option Plan (2017) are exercisable over a period of five years. 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, 2019	16,637,083	0.59
Options granted	300,000	1.38
Options expired	(167,000)	1.14
Options exercised	(448,750)	0.65
<b>Balance, March 31, 2020</b>	<b>16,321,333</b>	<b>0.60</b>

The weighted average share price at the date of exercise for share options exercised during the period was C\$1.22.

At March 31, 2020, 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	15,971,333	2.82	0.57	10,890,341	0.53
C\$1.00 to C\$1.99	300,000	4.90	1.38	300,000	1.38
C\$3.00 to C\$3.99	50,000	1.03	3.45	50,000	3.45
	<b>16,321,333</b>	<b>2.85</b>	<b>0.60</b>	<b>11,240,341</b>	<b>0.56</b>

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. For issuances prior to April 2016, we based our expectation of volatility on the volatility of similar publicly-listed companies, as the expected life of our options exceeded our trading history at that time.

The weighted average fair value of options granted during the three months ended March 31, 2020 determined using Black-Scholes was C\$0.71 per option. The weighted average significant inputs into the model included a share price of C\$1.38 at the grant date, an exercise price of C\$1.38, a volatility of 59%, a dividend yield of 0%, an expected option life of 5 years and an annual risk-free interest rate of 1.33%. A forfeiture rate was not applied to the option expense.

*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 on December 13, 2019 and all RSUs granted on December 18, 2019, which vest immediately, and on December 18, 2017, one half of which vest in three months and the remaining half in twelve months.

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

Three months ended March 31, 2020

(Expressed in United States Dollars, unless otherwise noted)

**12. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)**

Transactions relating to RSUs are summarised as follows:

	<b>RSUs</b>
	#
Balance, January 1, 2020	2,696,693
RSUs exercised	(172,250)
<b>Balance, March 31, 2020</b>	<b>2,524,443</b>

<b>Expiry Date</b>	<b>Number of RSUs outstanding</b>	<b>Weighted average remaining contractual life</b>	<b>Number of RSUs vested</b>
	#	(in years)	#
December 31, 2020	717,500	0.75	700,834
December 31, 2021	905,000	1.75	905,000
December 31, 2022	901,943	2.75	226,943
	<b>2,524,443</b>	<b>2.18</b>	<b>1,832,777</b>

*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:

	<b>DSUs</b>
	#
Balance, January 1, 2020	1,683,000
DSUs granted	432,499
<b>Balance, March 31, 2020</b>	<b>2,115,499</b>

*iv) Warrants*

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

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
	#	C\$
Balance, January 1, 2020	38,905,213	0.62
Warrants exercised	(3,705,000)	0.60
<b>Balance, March 31, 2020</b>	<b>35,200,213</b>	<b>0.62</b>

The remaining contractual lives of warrants outstanding as at December 31, 2019 are as follows:

<b>Weighted average exercise price</b>	<b>Number of warrants outstanding</b>	<b>Weighted average remaining contractual life</b>
C\$	#	(in years)
0.65	11,851,713	0.82
0.60	23,348,500	1.51
<b>0.62</b>	<b>35,200,213</b>	<b>1.28</b>

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

Three months ended March 31, 2020

(Expressed in United States Dollars, unless otherwise noted)

**13. NON-CONTROLLING INTEREST**

The Company holds a 79.9% 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 20.1% interest is held by Intor Resources Corporation.

Liberty Gold owns a 60.3% controlling interest of the TV Tower property through a 60% ownership stake in Orta Truva. The remaining 39.7% interest is held by TMST.

Summary financial information for KG LLC and 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 11).

## (a) Summarised Balance Sheet

	KG LLC		Orta Truva	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Current				
Assets	\$ 8,811	\$ 3,521	\$ 270,764	\$ 88,149
Liabilities	(220,324)	(213,302)	(105,069)	(108,806)
Total Current net liabilities	\$ (211,513)	\$ (209,781)	\$ 165,695	\$ (20,657)
Non-Current				
Assets	\$ 701,196	\$ 701,181	\$ 1,941,201	\$ 1,979,018
Liabilities	(122,500)	(122,500)	(1,803,385)	(1,606,497)
Total Non-current net assets	\$ 578,696	\$ 578,681	\$ 137,816	\$ 372,521
<b>Net Assets</b>	<b>\$ 367,183</b>	<b>\$ 368,900</b>	<b>\$ 303,511</b>	<b>\$ 351,864</b>

## (b) Summarised Statement of Loss

	KG LLC		Orta Truva	
	Three months ended March 31, 2020	Three months ended March 31, 2019	Three months ended March 31, 2020	Three months ended March 31, 2019
Statement of Loss	\$ 1,717	\$ 19,759	\$ 356,456	\$ 281,318
Other comprehensive Loss	-	-	-	-
<b>Loss and other comprehensive Loss</b>	<b>\$ 1,717</b>	<b>\$ 19,759</b>	<b>\$ 356,456</b>	<b>\$ 281,318</b>

## (c) Summarised cash flows

	KG LLC		Orta Truva	
	Three months ended March 31, 2020	Three months ended March 31, 2019	Three months ended March 31, 2020	Three months ended March 31, 2019
Net cash flow from:				
operating activities	\$ 5,290	\$ (2,982)	\$ (125,372)	\$ (188,627)
financing activities	-	-	308,102	293,861
investing activities	-	-	-	-
Net increase (decrease) in cash	\$ 5,290	\$ (2,982)	\$ 182,730	\$ 105,234
Cash at the beginning of the year	2,142	43,466	87,110	109,696
<b>Cash at the end of the year</b>	<b>\$ 7,432</b>	<b>\$ 40,484</b>	<b>\$ 269,840</b>	<b>\$ 214,930</b>

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

Three months ended March 31, 2020

(Expressed in United States Dollars, unless otherwise noted)

**14. COMMITMENTS***Leases*

Upon adoption of IFRS 16, the Company recognized a right-of-use asset and a lease liability at the lease commencement date for certain contracts.

Total future minimum lease payments, for agreements outside the scope of IFRS 16, as at March 31, 2020 are as follows:

<b>Year</b>	
2020	\$ 44,205
2021	58,940
2022	38,731
2023+	-
	<b>\$ 141,876</b>

The Company is also responsible for its share of property taxes and operating costs on office premises leases in Canada, Turkey and the United States.

**15. 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, 2019, Liberty Gold has three geographic locations at March 31, 2020: 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 and disposal groups held for sale, which have been disclosed in Notes 9 and 7, respectively.

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

	<b>Three months ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
Canada	\$ (1,288,400)	\$ (548,603)
USA	960,367	(716,450)
Turkey	(167,956)	(267,840)
	<b>\$ (495,989)</b>	<b>\$ (1,532,893)</b>

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

	<b>March 31,</b>	<b>December 31,</b>
	<b>2020</b>	<b>2019</b>
Canada	\$ 393,603	\$ 458,571
USA	223,059	253,190
Turkey	26,566	31,959
	<b>\$ 643,228</b>	<b>\$ 743,720</b>

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

**LIBERTY GOLD CORP.**

**(An exploration stage company)**

**Notes to the Condensed Interim Consolidated Financial Statements**

Three months ended March 31, 2020

(Expressed in United States Dollars, unless otherwise noted)

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**16. 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 period ended March 31, 2020 total \$141,821 in expenditures, reflected in the Company's condensed interim consolidated statement of loss and comprehensive loss. As at March 31, 2020, Oxygen holds a refundable deposit of \$115,549 on behalf of the Company. Additionally, as at March 31, 2020 the Company held a payable to Oxygen of \$45,516, that was settled subsequent to period end.

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

	<b>Three months ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
Salaries and other short-term employee benefits	\$ 251,327	\$ 245,520
Share-based payments	613,461	58,718
<b>Total</b>	<b>\$ 864,789</b>	<b>\$ 304,238</b>