



Liberty Gold Corp.
An exploration stage company

Condensed Interim Consolidated Financial Statements
Nine months ended September 30, 2019
(Expressed in US Dollars)

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

	As at September 30, 2019	As at December 31, 2018
	\$	\$
Assets		
<i>Current assets</i>		
Cash and cash equivalents	12,864,107	7,783,601
Short term investments	95,578	94,255
Receivables and prepayments (Note 6)	263,218	211,474
Total current assets	<u>13,222,903</u>	<u>8,089,330</u>
<i>Non-current assets</i>		
Other financial assets (Note 7)	106,453	187,618
Deposits	484,368	457,625
Sales taxes receivable (Note 6)	620,821	645,106
Plant and equipment (Note 8)	806,562	222,711
Exploration and evaluation assets (Note 9a)	23,982,103	23,982,103
Investment in associates (Note 10)	1,493,704	1,496,952
Total non-current assets	<u>27,494,011</u>	<u>26,992,115</u>
Total assets	<u>40,716,914</u>	<u>35,081,445</u>
Liabilities and Shareholders' Equity		
<i>Current liabilities</i>		
Accounts payable and accrued liabilities (Note 11)	1,124,699	612,254
Lease liabilities	211,496	-
Total current liabilities	<u>1,336,195</u>	<u>612,254</u>
<i>Non-current liabilities</i>		
Lease liabilities	419,777	-
Deferred tax liabilities (Note 12)	1,471,318	1,386,939
Other liabilities (Note 11)	143,983	147,642
Total non-current liabilities	<u>2,035,078</u>	<u>1,534,581</u>
<i>Shareholders' equity</i>		
Share capital (Note 13)	191,552,603	179,702,675
Contributed surplus (Note 13)	28,969,951	29,165,756
Accumulated other comprehensive loss	(9,601,113)	(9,639,935)
Accumulated deficit	(182,241,669)	(175,059,401)
Total shareholders' equity	<u>28,679,772</u>	<u>24,169,095</u>
Non controlling interest (Note 14)	<u>8,665,869</u>	<u>8,765,515</u>
Total liabilities and shareholders' equity	<u>40,716,914</u>	<u>35,081,445</u>

The notes on pages 5 to 17 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 12, 2019.

"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 September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Operating expenses				
Exploration and evaluation expenditures (Note 9b)	2,348,503	2,206,710	4,982,006	5,687,640
Wages and benefits	298,964	378,913	995,723	989,089
Office and general	192,992	273,016	563,426	862,813
Investor relations, promotion and advertising	83,480	90,360	207,856	269,319
Depreciation	66,290	12,620	194,776	38,133
Professional fees	55,970	62,079	190,306	204,535
Stock based compensation (Note 13c)	61,425	87,408	183,574	407,604
Listing and filing fees	236	35	37,751	17,843
Loss from operations	3,107,860	3,111,141	7,355,418	8,476,976
Other income (expenses)				
Foreign exchange gains (losses)	120,961	(123,714)	124,726	(329,700)
Other income	14,255	6,328	67,921	20,328
Finance income	33,705	27,745	46,460	50,039
Loss from associates (Note 10)	(29,840)	(15,485)	(94,595)	(102,246)
Change in fair value of other financial assets	(78,516)	(2,412)	(181,249)	(33,693)
Net loss on sale of other financial assets	-	(22,994)	-	(22,994)
	60,565	(130,532)	(36,737)	(418,266)
Loss before tax	3,047,295	3,241,673	7,392,155	8,895,242
Income tax expense	(70,465)	660,786	84,379	1,172,420
Loss for the period	2,976,830	3,902,459	7,476,534	10,067,662
Loss attributable to:				
Shareholders	2,931,164	3,488,268	7,182,268	9,145,136
Non-controlling interests (Note 14)	45,666	414,191	294,266	922,526
	2,976,830	3,902,459	7,476,534	10,067,662
Other comprehensive income (loss)				
Items that may be reclassified subsequently to net income				
Exchange gains (losses) on translations	(197,218)	21,610	38,822	(468,399)
Other comprehensive income (loss) for the period, net of tax	(197,218)	21,610	38,822	(468,399)
Total loss and comprehensive loss for the period	3,174,048	3,880,849	7,437,712	10,536,061
Loss attributable to:				
Shareholders	3,128,382	3,466,658	7,143,446	9,613,535
Non-controlling interests	45,666	414,191	294,266	922,526
Total loss and comprehensive loss for the period	3,174,048	3,880,849	7,437,712	10,536,061
Loss per share				
Basic and diluted loss per share	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.05
Weighted average number of Common Shares				
Basic and diluted	214,183,698	177,124,610	209,422,347	174,659,092

The notes on pages 5 to 17 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, 2017	151,230,559	167,289,230	24,075,989	(7,709,532)	(164,649,891)	19,005,796	9,327,886	28,333,682
Reclassification of available-for-sale ("AFS") financial assets to the accumulated deficit*	-	-	-	(759,906)	759,906	-	-	-
Bought deal private placement	24,938,426	7,059,312	1,436,135	-	-	8,495,447	-	8,495,447
Share issue costs	-	(810,880)	-	-	-	(810,880)	-	(810,880)
Other share issuances	488,294	174,247	-	-	-	174,247	-	174,247
RSU and Warrant exercises	476,063	223,634	(129,094)	-	-	94,540	-	94,540
Stock based compensation	-	-	696,050	-	-	696,050	-	696,050
Contributions by non-controlling interest	-	-	-	-	-	-	221,874	221,874
Cumulative translation adjustment	-	-	-	(468,399)	-	(468,399)	-	(468,399)
Net loss for the period	-	-	-	-	(9,145,136)	(9,145,136)	(922,526)	(10,067,662)
Balance as at September 30, 2018	177,133,342	173,935,543	26,079,080	(8,937,837)	(173,035,121)	18,041,665	8,627,234	26,668,899
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
Bought deal financing (Note 13b)	28,800,000	12,033,969	-	-	-	12,033,969	-	12,033,969
Share issue costs (Note 13b)	-	(919,999)	-	-	-	(919,999)	-	(919,999)
Other share issuances (Note 13b)	72,927	30,000	-	-	-	30,000	-	30,000
RSU and Warrant exercises (Note 13c)	1,929,240	705,958	(461,117)	-	-	244,841	-	244,841
Stock based compensation (Note 13c)	-	-	265,312	-	-	265,312	-	265,312
Contributions by non-controlling interest	-	-	-	-	-	-	194,620	194,620
Cumulative translation adjustment	-	-	-	38,822	-	38,822	-	38,822
Net loss for the period	-	-	-	-	(7,182,268)	(7,182,268)	(294,266)	(7,476,534)
Balance as at September 30, 2019	236,991,342	191,552,603	28,969,951	(9,601,113)	(182,241,669)	28,679,772	8,665,869	37,345,641

The notes on pages 5 to 17 are an integral part of these condensed interim consolidated financial statements.

*The Company applied IFRS 9 at January 1, 2018.

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

	Nine months ended September,	
	2019	2018
	\$	\$
Cash flows from operating activities		
Loss for the period	(7,476,534)	(10,067,662)
Adjusted for:		
Stock based compensation (Note 13b)	265,312	696,050
Depreciation	197,007	40,920
Change in fair value, impairment and gains (losses) on disposal of financial instruments	181,249	56,687
Loss from associates	94,595	102,246
Deferred tax expense	84,379	1,172,420
Share issuance in relation to mineral properties	30,000	174,247
Other non-cash items on the statement of loss	4,584	127
Foreign exchange not related to cash	(162,531)	24,932
Movements in working capital:		
Accounts receivable and prepayments	(167,146)	(31,131)
Accounts payable and other liabilities	546,925	17,202
Net cash outflow due to operating activities	<u>(6,402,160)</u>	<u>(7,813,962)</u>
Gross proceeds from bought deal private placement	12,033,969	8,495,447
Cash received from exercise of share based payments and warrants	204,998	94,540
Contributions from non-controlling interest (Note 14)	194,620	221,874
Interest payments on lease liabilities	(46,167)	-
Principal payments on lease liabilities	(141,389)	-
Share issue costs from bought deal financing	(919,999)	(810,880)
Net cash inflow from financing activities	<u>11,326,032</u>	<u>8,000,981</u>
Cash flows from investing activities		
Funding to Associates (Note 10)	(48,000)	(220,783)
Purchase and proceeds of sale of property and equipment	(6,556)	(41,840)
Surety bond collateral	-	(13,000)
Sale of financial instruments	-	92,960
Net cash outflow due to investing activities	<u>(54,556)</u>	<u>(182,663)</u>
Effect of foreign exchange rates	<u>211,190</u>	<u>(93,832)</u>
Net increase (decrease) in cash and cash equivalents	5,080,506	(89,476)
Cash and cash equivalents at beginning of period	7,783,601	2,168,203
Cash and cash equivalents at end of the period	<u>12,864,107</u>	<u>2,078,727</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, 2019

(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 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, 2019 (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, 2018 (“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, except for those changes as a result of the adoption of IFRS 16 – Leases (“IFRS 16”) at January 1, 2019.

The impact of the adoption of IFRS 16 and the significant accounting policies that have been amended as a result, have been outlined in Note 4.

4. ADOPTION OF IFRS 16 – Leases

Summary of changes

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

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

Nine months ended September 30, 2019

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

4. ADOPTION OF IFRS 16 – Leases (continued)

For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain the asset. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. The right-of-use asset is assessed for impairment losses, should a trigger be identified and adjusted for impairment if required.

The lease liability is subsequently measured at amortized cost using the effective interest method. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

We have elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

Lease liabilities

The Company has adopted IFRS 16 retrospectively from January 1, 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. On transition to IFRS 16, the Company recognized \$727,421 of right-of-use assets and \$727,421 of lease liabilities. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 8.9%. The following reconciliation to the opening balance for lease liabilities as at January 1, 2019 is based upon the operating lease commitments as at December 31, 2018:

Operating lease commitments at December 31, 2018	\$ 1,066,012
Discounted using the incremental borrowing rate at January 1, 2019	8.9%
Finance lease liabilities recognized as at December 31, 2018	\$ 889,342
Recognition exemption for:	
Short-term leases	-
Leases of low-value assets	(2,205)
Scope changes due to IFRS 16	(159,716)
Lease liabilities at January 1, 2019	\$ 727,421
Less: Current portion	(185,317)
Long-term lease liabilities at January 1, 2019	\$ 542,104

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

Nine months ended September 30, 2019

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

4. ADOPTION OF IFRS 16 – Leases (continued)

Our significant lease arrangements consist of contracts for leasing office premises and leased cars. As at September 30, 2019, \$607,797 of right-of-use assets are recorded as part of plant and equipment. Additional details described in Note 8.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND 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, except for those described below:

- (i) *Leases as a result of adopting IFRS 16:* IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. The Company had to apply judgement on certain factors, including whether the supplier has substantive substitution rights, whether the Company obtains substantially all of the economic benefits and who has the right to direct the use of that asset.

IFRS 16 requires that lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The standard defines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use-asset in a similar economic environment. The Company used its incremental borrowing rate when recording leases initially, since information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

- (ii) *Assets held-for-sale classification:* Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. The Company applies judgment in determining whether certain non-current assets meet the highly probable criteria at the reporting date. We have determined that it is not highly probable that the sale will be completed within one year from the date of classification due to a variety of considerations, including the receipt of required regulatory approvals.

6. RECEIVABLES AND PREPAYMENTS

	September 30, 2019	December 31, 2018
Sales taxes receivable	\$ 40,489	\$ 37,802
Other receivables	25,674	80,818
Prepayments	197,055	92,854
Total	\$ 263,218	\$ 211,474

An additional \$620,821 in sales taxes receivable is classified as non-current at September 30, 2019 and is recoverable when production begins, or on sale of the licenses held by Orta Truva (December 31, 2018: \$645,106).

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

Nine months ended September 30, 2019

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

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.

As at September 30, 2019, Liberty Gold holds Level 1 equity securities with a total fair value of \$106,453 (December 31, 2018: \$187,618).

8. PLANT AND EQUIPMENT

	Owned assets (a)	Right-of-use assets (b)	Total
Net book value as at December 31, 2018	\$ 222,711	\$ -	\$ 222,711
Net book value as at September 30, 2019	\$ 198,765	\$ 607,797	\$ 806,562

a) Owned assets

Cost:	Field equipment	Equipment	Computer software	Furniture and fixtures	Leasehold improvements	Total
Balance as at December 31, 2018	\$ 133,062	\$ 600,010	\$ 271,333	\$ 260,992	\$ 322,507	\$ 1,587,904
Additions	-	3,319	-	3,429	-	6,748
Cumulative translation adjustment	1,784	5,442	2,973	4,288	-	14,487
Balance as at September 30, 2019	\$ 134,846	\$ 608,771	\$ 274,306	\$ 268,709	\$ 322,507	\$ 1,609,139

Depreciation:

Balance as at December 31, 2018	\$ 78,125	\$ 472,321	\$ 271,333	\$ 222,271	\$ 321,143	\$ 1,365,193
Depreciation charge	8,352	16,516	-	5,916	1,364	32,148
Cumulative translation adjustment	938	5,246	2,973	3,876	-	13,033
Balance as at September 30, 2019	\$ 87,415	\$ 494,083	\$ 274,306	\$ 232,063	\$ 322,507	\$ 1,410,374

Net Book Value:

As at December 31, 2018	\$ 54,937	\$ 127,689	\$ -	\$ 38,721	\$ 1,364	\$ 222,711
As at September 30, 2019	\$ 47,431	\$ 114,688	\$ -	\$ 36,646	\$ -	\$ 198,765

Equipment consists of automobiles, automotive equipment, and computer hardware.

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

Nine months ended September 30, 2019

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

8. PLANT AND EQUIPMENT (continued)

b) Right-of-use (leased) assets

The Company has entered into contracts for premises in the United States and Turkey. The lease terms are between two and four years; each lease is renewable at the end of the lease period at market rates. Lease agreements do not impose any covenants, but lease assets may not be used as security for borrowing purposes. Office premises and other operating leases in Canada are paid to Oxygen, pursuant to the "Oxygen Agreement". Upon termination of the Oxygen Agreement, the Company is required to indemnify Oxygen for costs associated with those agreements or obligations that had been executed or incurred by Oxygen in connection with, or related to the services provided to the Company by Oxygen.

The office premises in Canada, and office premises and automobiles in Turkey and the United States represent right-of-use assets. Contingent rental expenditures of \$66,634 consisting of operating costs have been charged to the statement of loss for the nine months ended September 30, 2019.

Cost:	Offices	Automobiles	Total
Balance as at December 31, 2018	\$ -	\$ -	\$ -
Additions on IFRS 16 adoption	709,270	18,151	727,421
Additions	-	32,790	32,790
Cumulative translation adjustment	13,901	(1,183)	12,718
Balance as at September 30, 2019	\$ 723,171	\$ 49,758	\$ 772,929
Depreciation:			
Balance as at December 31, 2018	\$ -	\$ -	\$ -
Depreciation charge	154,837	10,022	164,859
Cumulative translation adjustment	289	(16)	273
Balance as at September 30, 2019	\$ 155,126	\$ 10,006	\$ 165,132
Net Book Value:			
As at December 31, 2018	\$ -	\$ -	\$ -
As at September 30, 2019	\$ 568,045	\$ 39,752	\$ 607,797

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 Halilađa are recorded in the Company's investment in Truva Bakır, an equity-accounted associate (Note 10). Expenditures on 'Portfolio Properties' in the tables below relate to the Company's interest in seven exploration properties in Nevada.

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

Nine months ended September 30, 2019

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

9. EXPLORATION AND EVALUATION ASSETS (continued)

- a) There were no additions during the nine months ended September 30, 2019, or in the year ended December 31, 2018:

	At September 30, 2019	At December 31, 2018
USA		
Kinsley Mountain	\$ 575,838	\$ 575,838
Goldstrike	8,486,985	8,486,985
Black Pine	1,010,927	1,010,927
Portfolio Properties	248,097	248,097
Total USA	\$ 10,321,847	\$ 10,321,847
Turkey		
TV Tower	\$ 13,660,256	\$ 13,660,256
Total Turkey	\$ 13,660,256	\$ 13,660,256
Total	\$ 23,982,103	\$ 23,982,103

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

	Goldstrike	Kinsley Mountain	Black Pine	Portfolio properties	Total USA	TV Tower	Other Exploration	Total
December 31, 2017	\$ 12,337,490	\$ 19,770,255	\$ 834,147	\$ 2,337,394	\$ 35,279,286	\$ 33,576,658	\$ 3,409,041	\$ 72,264,985
Drilling and assays	2,118,369	253,264	24,339	-	2,395,972	-	-	2,395,972
Wages and salaries	675,600	77,646	188,301	2,366	943,913	138,697	49,889	1,132,499
PEA and 43-101	340,693	-	38,513	-	379,206	-	-	379,206
Project disposals	-	-	-	144,247	144,247	-	-	144,247
Other	815,642	243,360	218,203	38,570	1,315,775	274,202	45,739	1,635,716
September 30, 2018	\$ 16,287,794	\$ 20,344,525	\$ 1,303,503	\$ 2,522,577	\$ 40,458,399	\$ 33,989,557	\$ 3,504,669	\$ 77,952,625
December 31, 2018	\$ 17,174,228	\$ 20,376,305	\$ 1,483,774	\$ 2,508,608	\$ 41,542,915	\$ 34,090,058	\$ 3,546,102	\$ 79,179,075
Drilling and assays	427,248	-	1,738,483	-	2,165,731	-	-	2,165,731
Wages and salaries	219,075	26,716	354,352	-	600,143	50,946	23,036	674,125
PEA and 43-101	41,109	-	38,305	-	79,414	-	-	79,414
Other	691,014	331,800	635,262	26,244	1,684,320	319,023	59,393	2,062,736
September 30, 2019	\$ 18,552,674	\$ 20,734,821	\$ 4,250,176	\$ 2,534,852	\$ 46,072,523	\$ 34,460,027	\$ 3,628,531	\$ 84,161,081

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

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

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10. INVESTMENT IN ASSOCIATES

Liberty Gold owns 40% of Halılađa 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.

	Truva Bakır
At December 31, 2018	\$ 1,496,952
Share of loss	(94,595)
Funding	48,000
Foreign exchange differences	43,347
At September 30, 2019	\$ 1,493,704

The summarised financial information for Truva Bakır, on a 100% basis is as follows:

	September 30, 2019	December 31, 2018
Current assets	\$ 445,323	\$ 769,174
Non-current assets	3,394,895	3,024,560
Current liabilities	(105,957)	(51,353)
Total net assets	\$ 3,734,261	\$ 3,742,381
% interest held	40%	40%
Company's share of net assets	\$ 1,493,704	\$ 1,496,952

The summarised financial information as at September 30, 2019 for Truva Bakır on a 100% basis is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Loss	\$ (74,600)	\$ (38,712)	\$ (236,488)	\$ (255,615)
% interest held	40%	40%	40%	40%
Company's share of loss	\$ (29,840)	\$ (15,485)	\$ (94,595)	\$ (102,246)

On July 12, 2019, the Company signed a share purchase agreement for the sale of its interest in Halılađa to Cengiz (the "Agreement"). Pursuant to the terms of the Agreement, the Company and TMST have agreed to jointly sell their 100% interest in Truva Bakır to Cengiz for \$55 million in cash, to be paid in stages over a two-year period and apportioned to TMST and Liberty Gold, pro-rata to their ownership interests. The Company will receive a total of \$22 million in accordance with its 40% interest.

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

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11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2019	December 31, 2018
Trade payables	\$ 639,388	\$ 378,075
Decommissioning liability - current	263,800	96,300
Accrued liabilities	210,027	122,323
Other payables	11,484	15,556
Total	\$ 1,124,699	\$ 612,254

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

During the period ended September 30, 2019, the current decommissioning liability relating to the Company's Goldstrike and Black Pine properties was increased by \$20,000 (year ended December 31, 2018: increased by \$15,000) and \$147,500 (year ended December 31, 2018: \$nil change), respectively.

Non-current other liabilities as at September 30, 2019 include a decommissioning liability of \$122,500 (December 31, 2018: \$117,500) relating to the Kinsley property. During the period ended September 30, 2019, the non-current decommissioning liability was increased by \$5,000 (year ended December 31, 2018: \$nil change).

12. DEFERRED TAX LIABILITY

A deferred tax liability of \$1,471,318 has been recognised in the period ended September 30, 2019 arising from foreign exchange differences in the tax basis of the TV Tower mineral property held by Orta Truva (December 31, 2018: \$1,386,939).

13. SHARE CAPITAL AND CONTRIBUTED SURPLUS*a) Authorized*

Unlimited Common Shares with no par value.

b) Issued

On July 10, 2019, the Company issued 72,927 Common Shares to Ray Hunter LLC with a total fair value of \$30,000 (C\$0.54 per Common Share) as consideration for the annual lease of an area that forms part of the Goldstrike property.

On September 10, 2019, the Company completed a bought deal financing (the "2019 Bought-Deal") with a syndicate of underwriters (the "Underwriters") whereby the Underwriters purchased, on a bought-deal basis, 28,800,000 Common Shares. Each Common Share was issued at a price of C\$0.55 for gross proceeds to the Company of \$12,033,969 (C\$15,840,000). Transaction costs of \$919,999 have been recognised in equity during the nine months ended September 30, 2019.

c) Stock-based compensation

For the nine months ended September 30, 2019, the Company charged a total of \$265,312 of stock-based compensation expense to the statement of loss (nine months ended September 30, 2018: \$696,050) of which \$81,738 is attributed to exploration and evaluation expenditures (nine months ended September 30, 2018: \$288,446).

i) Stock Options

Options granted under the Liberty Gold Stock Option Plan (2017) are exercisable over 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:

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13. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

	Options	Weighted Average Exercise Price
	#	C\$
Balance, December 31, 2018	13,078,750	0.54
Options granted	75,000	0.66
Options expired	(935,000)	1.15
Options forfeited	(45,000)	1.15
Balance, September 30, 2019	12,173,750	0.49

At September 30, 2019, 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	11,851,750	2.57	0.46	8,189,333	0.49
C\$1.00 to C\$1.99	272,000	0.35	1.14	272,000	1.14
C\$3.00 to C\$3.99	50,000	1.53	3.45	50,000	3.45
	12,173,750	2.51	0.49	8,511,333	0.53

For the purposes of estimating the fair value of options using Black-Scholes, certain assumptions are made such as expected dividend yield, volatility of the market price of the Company's shares, risk-free interest rates and expected average life of the Options. We based our expectation of volatility on the volatility of similar publicly-listed companies, when the expected life of Options granted exceeded our trading history.

ii) Restricted Share Units

Restricted Share Units ("RSUs") granted under the Liberty Gold RSU Plan (2017) 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 those granted on December 18, 2017, one half of which vested in three months and the remaining half after twelve months, and those granted on December 18, 2018, which vested immediately.

Transactions relating to RSUs are summarised below:

	RSUs
	#
Balance, December 31, 2018	3,416,500
RSUs exercised	(1,430,250)
Balance, September 30, 2019	1,986,250

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

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

13. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

Expiry Date	Number of RSUs outstanding	Weighted average remaining contractual life	Number of RSUs exercisable
	#	(in years)	#
December 31, 2019	243,750	0.04	243,750
December 31, 2020	837,500	1.17	820,833
December 31, 2021	905,000	1.95	905,000
	1,986,250	1.38	1,969,583

iii) Deferred Share Units

Deferred Share Units (“DSUs”) granted under the Liberty Gold DSU plan (2017) to Directors of the Company, have no expiration date and are redeemable upon termination of service. As at December 31, 2018 and as at September 30, 2019, there were 1,683,000 DSUs outstanding.

iv) Warrants

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

	Number of Warrants	Weighted average exercise price
	#	C\$
Balance, December 31, 2018	53,380,463	0.68
Warrants exercised	(452,250)	0.60
Warrants expired	(12,017,500)	0.90
Balance, September 30, 2019	40,910,713	0.62

The remaining contractual lives of warrants outstanding as at September 30, 2019 are as follows:

Weighted average exercise price	Number of warrants outstanding	Weighted average remaining contractual life
C\$	#	(in years)
0.65	12,469,213	1.32
0.60	28,441,500	2.01
0.62	40,910,713	1.80

14. NON-CONTROLLING INTEREST

The Company holds a 79.1% interest in Kinsley Gold LLC (“KG LLC”), the entity that holds the underlying lease and directly held claims that comprise the Kinsley Mountain property (together, “Kinsley”). The remaining 20.9% interest is held by Intor Resources Corporation.

Liberty Gold owns a 60% controlling interest of the TV Tower property through a 60% ownership stake in Orta Truva Madencilik Şanayi ve Ticaret A.Ş (“Orta Truva”). The remaining 40% interest is held by TMST.

Summary financial information for KG LLC and Orta Truva is as set out below:

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

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14. NON-CONTROLLING INTEREST (continued)

a) Summarised Balance Sheet

	KG LLC		Orta Truva	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Current				
Assets	\$ 29,029	\$ 44,825	\$ 151,195	\$ 111,333
Liabilities	(226,283)	(121,416)	(111,441)	(115,067)
Total Current net liabilities	\$ (197,254)	\$ (76,591)	\$ 39,754	\$ (3,734)
Non-Current				
Assets	\$ 701,323	\$ 701,050	\$ 2,004,496	\$ 2,006,126
Liabilities	(122,500)	(117,500)	(1,471,319)	(1,386,939)
Total Non-current net assets	\$ 578,823	\$ 583,550	\$ 533,177	\$ 619,187
Net Assets	\$ 381,569	\$ 506,959	\$ 572,931	\$ 615,453

b) Summarised Statement of Loss

	KG LLC		Orta Truva	
	Three months ended September 30, 2019	Three months ended September 30, 2018	Three months ended September 30, 2019	Three months ended September 30, 2018
Statement of Loss	\$ 134,356	\$ 123,011	\$ 43,964	\$ 971,204
Other comprehensive Loss	-	-	-	-
Loss and other comprehensive Loss	\$ 134,356	\$ 123,011	\$ 43,964	\$ 971,204

	KG LLC		Orta Truva	
	Nine months ended September 30, 2019	Nine months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Statement of Loss	\$ 395,390	\$ 622,632	\$ 529,073	\$ 1,980,990
Other comprehensive Loss	-	-	-	-
Loss and other comprehensive Loss	\$ 395,390	\$ 622,632	\$ 529,073	\$ 1,980,990

c) Summarised cash flows

	KG LLC		Orta Truva	
	Nine months ended September 30, 2019	Nine months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Net cash flow from:				
operating activities	\$ (285,816)	\$ (558,872)	\$ (461,732)	\$ (499,281)
financing activities	270,000	617,514	486,551	231,416
Net increase (decrease) in cash	\$ (15,816)	\$ 58,642	\$ 24,819	\$ (267,865)
Cash at the beginning of the period	43,466	8,894	109,696	402,490
Cash at the end of the period	\$ 27,650	\$ 67,536	\$ 134,515	\$ 134,625

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

Nine months ended September 30, 2019

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15. 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. See Note 4 for a reconciliation to the opening balance for lease liabilities as at January 1, 2019 based upon the operating lease commitments as at December 31, 2018.

Total future minimum lease payments, for agreements outside the scope of IFRS 16, as at September 30, 2019 are as follows:

Year	
2019	\$ 15,755
2020	63,021
2021	63,021
2022	41,451
2023+	-
	\$ 183,248

16. SEGMENT INFORMATION

The Company's operations are in one segment, the exploration for gold, copper and other precious and base metals. At September 30, 2019 and December 31, 2018, respectively, Liberty Gold has three geographic locations: 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 its associates, and have been disclosed in Notes 9 and 10. The net loss is distributed by geographic segment per the table below:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Canada	\$ 633,599	\$ 638,124	\$ 1,961,131	\$ 2,066,363
USA	2,332,893	2,263,171	4,943,573	5,938,345
Turkey	10,338	1,001,164	571,830	2,062,954
	\$ 2,976,830	\$ 3,902,459	\$ 7,476,534	\$ 10,067,662

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

	September 30,	December 31,
	2019	2018
Canada	\$ 481,249	\$ 59,106
USA	284,344	139,687
Turkey	40,969	23,918
	\$ 806,562	\$ 222,711

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

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17. RELATED PARTY TRANSACTIONS

In addition to the following, the Company's related parties include its subsidiaries, and associates over which it exercises significant influence. Transactions with the Company's associates are described at Note 10.

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.

Related party transactions during the nine months ended September 30, 2019 total \$454,175 in expenditures, reflected in the Company's consolidated statement of loss and comprehensive loss. As at September 30, 2019, Oxygen holds a refundable deposit of \$123,665 on behalf of the Company. Additionally, as at September 30, 2019 the Company held a payable to Oxygen of \$53,378, that was settled subsequent to September 30, 2019.

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:

	Nine months ended September 30,	
	2019	2018
Salaries and other short-term employee benefits	\$ 747,702	\$ 693,892
Share-based payments	120,501	318,168
Total	\$ 868,203	\$ 1,012,060