



Liberty Gold Corp.
An exploration stage company

Condensed Interim Consolidated Financial Statements
Six months ended June 30, 2020
(Expressed in US Dollars)

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

	As at June 30, 2020	As at December 31, 2019
	\$	\$
Assets		
<i>Current assets</i>		
Cash and cash equivalents	14,199,068	14,367,657
Short term investments	94,267	96,367
Receivables and prepayments (Note 6)	294,044	183,702
	<u>14,587,379</u>	<u>14,647,726</u>
Assets classified as held for sale (Note 7)	2,171,276	2,248,618
Total current assets	<u>16,758,655</u>	<u>16,896,344</u>
<i>Non-current assets</i>		
Other financial assets (Note 8)	5,493,633	106,799
Deposits	356,973	353,086
Sales taxes receivable (Note 6)	524,516	603,122
Plant and equipment	628,060	743,720
Exploration and evaluation assets (Note 9a)	23,406,265	23,406,265
Total non-current assets	<u>30,409,447</u>	<u>25,212,992</u>
Total assets	<u>47,168,102</u>	<u>42,109,336</u>
Liabilities and Shareholders' Equity		
<i>Current liabilities</i>		
Consideration towards the sale of Kinsley (Note 7)	4,097,562	-
Consideration towards the sale of Halilađa (Note 7)	4,000,000	4,000,000
Accounts payable and accrued liabilities (Note 10)	1,286,421	1,063,186
Lease liabilities	173,629	217,654
	<u>9,557,612</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>9,680,112</u>	<u>5,403,340</u>
<i>Non-current liabilities</i>		
Lease liabilities	321,480	369,366
Deferred tax liabilities (Note 11)	1,876,254	1,606,497
Other liabilities (Note 10)	21,646	22,042
Total non-current liabilities	<u>2,219,380</u>	<u>1,997,905</u>
<i>Shareholders' equity</i>		
Share capital (Note 12)	196,096,858	192,753,629
Contributed surplus (Note 12)	29,868,302	29,558,938
Accumulated other comprehensive loss	(10,176,269)	(9,478,048)
Accumulated deficit	(188,803,261)	(186,642,351)
Total shareholders' equity	<u>26,985,630</u>	<u>26,192,168</u>
Non controlling interest (Note 13)	<u>8,282,980</u>	<u>8,515,923</u>
Total liabilities and shareholders' equity	<u>47,168,102</u>	<u>42,109,336</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 August 12, 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 June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Operating expenses				
Exploration and evaluation expenditures (Note 9b)	2,752,194	1,960,394	3,546,909	2,633,503
Stock based compensation (Note 12b)	143,713	41,544	816,243	122,149
Wages and benefits	286,697	339,872	633,692	696,759
Office and general	154,380	194,911	326,223	370,434
Professional fees	85,878	72,126	154,558	134,336
Investor relations, promotion and advertising	109,745	58,189	203,167	124,376
Depreciation	64,752	64,508	127,854	128,486
Listing and filing fees	13,033	-	29,098	37,515
Loss from operations	3,610,392	2,731,544	5,837,744	4,247,558
Other income (expenses)				
Change in fair value of other financial assets (Note 8)	1,771,332	(120,780)	1,727,925	(102,733)
Net gain on sale of Net Profit Interest (Note 9b)	-	-	1,374,376	-
Net gain on sale of other financial assets (Note 8)	195,569	-	195,569	-
Consideration towards purchase-option agreement (Note 9b)	-	-	158,238	-
Foreign exchange gains	(218,931)	(42,301)	125,761	3,765
Finance income (expenses)	(1,318)	13,800	88,881	12,755
Other income	15,746	5,792	19,898	53,666
Loss from associates (Note 7)	-	(35,947)	-	(64,755)
	1,762,398	(179,436)	3,690,648	(97,302)
Loss before tax	1,847,994	2,910,980	2,147,096	4,344,860
Income tax expense	72,870	55,831	269,757	154,844
Loss for the period	1,920,864	2,966,811	2,416,853	4,499,704
Loss attributable to:				
Shareholders	1,806,779	2,834,868	2,160,910	4,251,104
Non-controlling interests (Note 13)	114,085	131,943	255,943	248,600
	1,920,864	2,966,811	2,416,853	4,499,704
Other comprehensive loss				
Items that may be reclassified subsequently to net income				
Exchange gains (losses) on translations	411,223	107,963	(698,221)	236,040
Other comprehensive income (loss) for the period, net of tax	411,223	107,963	(698,221)	236,040
Total loss and comprehensive loss for the period	1,509,641	2,858,848	3,115,074	4,263,664
Loss attributable to:				
Shareholders	1,395,556	2,726,905	2,859,131	4,015,064
Non-controlling interests	114,085	131,943	255,943	248,600
Total loss and comprehensive loss for the period	1,509,641	2,858,848	3,115,074	4,263,664
Loss per share				
Basic and diluted loss per share	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.02
Weighted average number of Common Shares				
Basic and diluted	244,371,306	207,503,165	243,077,748	207,025,032

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, 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	1,466,990	459,475	(420,279)	-	-	39,196	-	39,196
Stock based compensation	-	-	183,944	-	-	183,944	-	183,944
Contributions by non-controlling interest	-	-	-	-	-	-	117,544	117,544
Cumulative translation adjustment	-	-	-	236,040	-	236,040	-	236,040
Net loss for the period	-	-	-	-	(4,251,104)	(4,251,104)	(248,600)	(4,499,704)
Balance as at June 30, 2019	207,656,165	180,162,150	28,929,421	(9,403,895)	(179,310,505)	20,377,171	8,634,459	29,011,630
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)	6,002,100	3,343,229	(671,951)	-	-	2,671,278	-	2,671,278
Stock based compensation (Note 12b)	-	-	981,315	-	-	981,315	-	981,315
Contributions by non-controlling interest	-	-	-	-	-	-	23,000	23,000
Cumulative translation adjustment	-	-	-	(698,221)	-	(698,221)	-	(698,221)
Net loss for the period	-	-	-	-	(2,160,910)	(2,160,910)	(255,943)	(2,416,853)
Balance as at June 30, 2020	245,284,359	196,096,858	29,868,302	(10,176,269)	(188,803,261)	26,985,630	8,282,980	35,268,610

The notes on pages 5 to 16 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)**

	Six months ended June 30,	
	2020	2019
	\$	\$
Cash flows from operating activities		
Loss for the year	(2,416,853)	(4,499,704)
Adjusted for:		
Stock based compensation (Note 12b)	981,315	183,944
Deferred tax expense	269,757	154,844
Depreciation	128,294	128,486
Foreign exchange not related to cash	70,068	(142,082)
Other non-cash items on the statement of loss	16,214	80,732
Change in fair value, impairment and gains on disposal of financial instruments	(1,923,494)	102,733
Reclassification to investing activities	(906,049)	-
Non-cash consideration on sale of Net Profit Interest (Note 9b)	(586,997)	-
Non-cash consideration towards purchase-option agreement (Note 9b)	(133,238)	-
Loss from associates	-	64,755
Movements in working capital:		
Accounts receivable and prepayments	(150,252)	(158,328)
Accounts payable and other liabilities	211,743	286,118
Net cash outflow due to operating activities	<u>(4,439,492)</u>	<u>(3,798,502)</u>
Cash flows from financing activities		
Cash received from exercise of share based payments and warrants	2,671,278	-
Contributions from non-controlling interest (Note 13)	23,000	117,544
Principal payments on lease liabilities	(106,467)	(90,905)
Interest payments on lease liabilities	(24,196)	(31,344)
Net cash inflow from financing activities	<u>2,563,615</u>	<u>(4,705)</u>
Cash flows from investing activities		
Consideration towards Kinsley purchase-option agreement (Note 7)	1,374,570	-
Consideration on sale of Net Profit Interest (Note 9b)	800,000	-
Proceeds from sale of other financial assets (Note 8)	81,049	-
Consideration towards purchase-option agreement (Note 9b)	25,000	-
Purchase and proceeds of sale of property and equipment	-	(4,450)
Net cash inflow (outflow) due to investing activities	<u>2,280,619</u>	<u>(4,450)</u>
Effect of foreign exchange rates	<u>(575,373)</u>	<u>262,587</u>
Net increase (decrease) in cash and cash equivalents	(170,631)	(3,545,070)
Less: net increase in cash and cash equivalents from assets classified as held for sale	2,042	-
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>14,199,068</u>	<u>4,238,531</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

Six months ended June 30, 2020

(Expressed in United States Dollars, unless otherwise noted)

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 six months ended June 30, 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, except for those as a result of the consideration received pursuant to the purchase-option agreement for the Company’s interest in the Kinsley Mountain Gold Project in Nevada as described below:

- (i) *Fair value measurement on consideration towards the Kinsley purchase-option agreement:* The Company has applied estimates in determining the fair value of the \$4.10 million consideration received from New Placer Dome Gold Corp. as consideration towards the Kinsley purchase-option agreement, and its classification as a financial instrument at fair value through profit and loss.

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.

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

Six months ended June 30, 2020

(Expressed in United States Dollars, unless otherwise noted)

5. THE NOVEL CORONAVIRUS (COVID-19) PANDEMIC (continued)

During the period ended June 30, 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 June 30, 2020, there has been no material impact to the Company.

6. RECEIVABLES AND PREPAYMENTS

	June 30, 2020	December 31, 2019
Sales taxes receivable	\$ 27,263	\$ 22,840
Other receivables	83,328	35,488
Prepayments	183,453	125,374
	\$ 294,044	\$ 183,702

An additional \$524,516 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

As at June 30, 2020	Halilaga	Kinsley	Total
Assets classified as held for sale	\$ 1,468,598	\$ 702,678	\$ 2,171,276
Liabilities directly associated with assets classified as held for sale	\$ -	\$ 122,500	\$ 122,500
As at December 31, 2019	Halilaga	Kinsley	Total
Assets classified as held for sale	\$ 1,538,626	\$ 709,992	\$ 2,248,618
Liabilities directly associated with assets classified as held for sale	\$ -	\$ 122,500	\$ 122,500

(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, subsequently amended on November 13, 2019 (the "Amended Halilaga Agreement"), for the sale of its interest in Halilağa property (the "Halilağa Transaction") to Cengiz. Pursuant to the terms of the Halilağa Amended 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 non-refundable payment (received November 2019)
- \$6,000,000 on closing of the amended sale agreement on August 12th, 2020 (Note 17)
- \$6,000,000 on August 15th, 2021 (bank guaranteed)
- \$6,000,000 on August 15th, 2022 (bank guaranteed)

Approval of Halilaga Transaction by the Turkish Ministry of Energy and Natural Resources was received in July 2020.

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

Six months ended June 30, 2020

(Expressed in United States Dollars, unless otherwise noted)

7. ASSETS HELD FOR SALE (continued)

At June 30, 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 ¹	(101,665)
Funding by the Company	74,400
Foreign exchange differences	68,939
Net assets at December 31, 2019	\$ 1,538,626
Foreign exchange differences	(70,028)
Net assets at June 30, 2020	\$ 1,468,598

¹ 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 \$4,000,000 non-refundable contribution received from Cengiz has been recorded as a current liability as at June 30, 2020. The liability will be extinguished either upon closing of the Halilağa Transaction or upon contract termination by Cengiz.

The \$4,000,000 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 \$4,000,000 as stipulated in the Halilağa Agreement. No factors affecting the fair value of the \$4,000,000 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 New Placer Dome Gold Corp. ("New Placer Dome") (formerly Barrian Mining Corp.) (the "Kinsley Sale Agreement").

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 New Placer Dome post-consolidation.

On June 2, 2020, the Company announced the closing of the Amended Kinsley Sale Agreement and the receipt of the initial option payments (the "Initial Option Payments").

The total consideration will be paid in three stages over a 2-year period as follows:

- \$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).
- \$2,500,000 on or before June 2, 2021 subject to final approval of the Kinsley Transaction by the TSX Venture Exchange.
- NPD Shares with a value of \$2,500,000 on or before June 2, 2022 (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 New Placer Dome for \$500,000.

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

Six months ended June 30, 2020

(Expressed in United States Dollars, unless otherwise noted)

7. ASSETS HELD FOR SALE (continued)

The Initial Option Payment received by the Company has a fair value of \$4,097,562 as at June 30, 2020 and consists of:

- \$1,250,000,
- \$124,570 in repayment of the surety bond deposit, and
- 8,844,124 common shares in New Placer Dome, representing 9.9% of New Placer Dome's issued and outstanding common shares.

The Initial Option Payment received has been recorded as a non-current liability as at June 30, 2020. 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. The consideration received was initially recognized at fair value on June 2, 2020 which equaled the initial cash payment of \$1,374,570 and the \$2,722,992 fair value on acquisition of 8,844,124 common shares in New Placer Dome as stipulated in the Amended Kinsley Sale Agreement. No factors affecting the fair value of the Initial Option Payment in the time from the initial recognition to the period end were identified.

At June 30, 2020, Kinsley was stated at carrying value and comprised of the following assets and liabilities:

Cash and cash equivalents	\$ 100
Receivables and prepayments	1,379
Exploration and evaluation assets	575,838
Deposits	125,361
Assets held for sale	\$ 702,678
Other liabilities	122,500
Liabilities held for sale	\$ 122,500

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 June 30, 2020, Liberty Gold holds equity securities with a total fair value of \$5,493,633 (December 31, 2019: \$106,799), of which \$3,402,566 in fair value is attributable to Level 1 equity securities and \$2,091,067 is attributable to Level 2 equity securities.

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

Six months ended June 30, 2020

(Expressed in United States Dollars, unless otherwise noted)

8. OTHER FINANCIAL ASSETS (continued)

During the period ended June 30, 2020, we received 2,500,000 common shares of Fremont Gold Ltd. (“Fremont”), 8,844,124 common shares in New Placer Dome (Note 7) and 2,000,000 share purchase warrants (“Ely Gold Warrants”) of Ely Gold Royalties, Inc. (“Ely Gold”) (Note 9b).

The 2,500,000 common shares of Fremont and the 8,844,124 common shares of New Placer Dome are a Level 1 measurement as per the fair value hierarchy summarized above and a fair value of \$201,593 and \$2,820,242, respectively, as at June 30, 2020.

The Company holds 192,000 common shares of Ely Gold from the exercise of the Ely Gold Warrants. The common shares of Ely Gold are considered a Level 1 measurement and has a fair value of \$285,719 as at June 30, 2020.

The Level 2 fair value of the 1,750,000 Ely Gold Warrants as at June 30, 2020 is \$2,091,067 and has been derived using Black-Scholes. The key inputs under this approach included the share price at the period end date, the exercise price per the agreement, expected volatility, dividend yield, expected life, and the annual risk-free interest rate.

During the period ended June 30, 2020, the Company recognized a \$195,569 gain on the exercise of warrants, and a \$1,727,925 gain on the change in fair value of other financial assets; of the gain on the change in fair value of other financial assets recognized, \$1,554,105 is attributable to the change in fair value of the Ely Gold Warrants.

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.

There were no additions during the six months ended June 30, 2020, or in the year ended December 31, 2019:

	June 30, 2020	December 31, 2019
USA		
Goldstrike	\$ 8,486,985	\$ 8,486,985
Black Pine	1,010,927	1,010,927
Portfolio Properties (Note 9b)	248,097	248,097
Total USA	\$ 9,746,009	\$ 9,746,009
Turkey		
TV Tower	\$ 13,660,256	\$ 13,660,256
Total Turkey	\$ 13,660,256	\$ 13,660,256
Total	\$ 23,406,265	\$ 23,406,265

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

Six months ended June 30, 2020

(Expressed in United States Dollars, unless otherwise noted)

9. 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:

	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	\$ 41,542,915	\$ 34,090,058	\$ 3,546,102	\$ 79,179,075
Drilling and assays	372,975	-	515,925	-	888,900	-	-	888,900
Wages and salaries	209,381	22,304	148,676	-	380,361	35,768	21,516	437,645
PEA and 43-101	34,159	-	38,305	-	72,464	-	-	72,464
Other	446,510	216,117	327,609	-	990,236	209,210	35,048	1,234,494
June 30, 2019	\$ 18,237,253	\$ 20,614,726	\$ 2,514,289	\$ 2,508,608	\$ 43,874,876	\$ 34,335,036	\$ 3,602,666	\$ 81,812,578
December 31, 2019	\$ 18,617,650	\$ 21,007,717	\$ 6,282,814	\$ 2,539,841	\$ 48,448,022	\$ 34,363,261	\$ 3,671,218	\$ 86,482,501
Drilling and assays	6,198	-	1,427,417	-	1,433,615	-	-	1,433,615
Wages and salaries	40,557	2,797	610,108	9,198	662,660	20,825	1,862	685,347
Road & site preparation	-	-	105,006	-	105,006	-	-	105,006
Metallurgy	788	-	362,800	-	363,588	-	-	363,588
Other	208,318	-	631,840	280	840,438	111,867	7,048	959,353
June 30, 2020	\$ 18,873,511	\$ 21,010,514	\$ 9,419,985	\$ 2,549,319	\$ 51,853,329	\$ 34,495,953	\$ 3,680,128	\$ 90,029,410

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 six month period ended June 30, 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.

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 Ely Gold Warrants, exercisable at C\$0.43 per warrant until December 18, 2021. The fair value of the 2,000,000 Ely Gold Warrants was \$586,997 on the date of acquisition. The gain recognized on the sale of the NPI in the Regent Hill Property, net of professional fees, is \$1,374,376.

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

Six months ended June 30, 2020

(Expressed in United States Dollars, unless otherwise noted)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2020	December 31, 2019
Trade payables	\$ 813,891	\$ 620,781
Decommissioning liability - current	325,300	294,300
Accrued liabilities	136,575	136,332
Other payables	10,655	11,773
	\$ 1,286,421	\$ 1,063,186

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

Non-current other liabilities as at June 30, 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 \$1,876,254 has been recognised in the period ended June 30, 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 six months ended June 30, 2020, the Company charged a total of \$981,315 of stock-based compensation expense to the statement of loss (six months ended June 30, 2019: \$183,944) of which \$165,072 is attributed to exploration and evaluation expenditures (six months ended June 30, 2019: \$61,795).

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	350,000	1.40
Options expired	(167,000)	1.14
Options exercised	(448,750)	0.65
Balance, June 30, 2020	16,371,333	0.60

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

LIBERTY GOLD CORP.

(An exploration stage company)

Notes to the Condensed Interim Consolidated Financial Statements

Six months ended June 30, 2020

(Expressed in United States Dollars, unless otherwise noted)

12. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

At June 30, 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	2.57	0.57	11,023,673	0.53
C\$1.00 to C\$1.99	350,000	4.70	1.40	300,000	1.38
C\$3.00 to C\$3.99	50,000	0.79	3.45	50,000	3.45
	16,371,333	2.61	0.60	11,373,673	0.56

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 six months ended June 30, 2020 determined using Black-Scholes was C\$0.72 per option. The weighted average significant inputs into the model included a share price of C\$1.40 at the grant date, an exercise price of C\$1.40, a volatility of 59%, a dividend yield of 0%, an expected option life of 5 years and an annual risk-free interest rate of 1.19%. A weighted average 1.55% forfeiture rate was 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, 2018, which vest immediately, and on December 18, 2017, one half of which vest in three months and the remaining half in twelve months.

Transactions relating to RSUs are summarised as follows:

	RSUs
	#
Balance, January 1, 2020	2,696,693
RSUs exercised	(172,250)
Balance, June 30, 2020	2,524,443

Expiry Date	Number of RSUs outstanding	Weighted average remaining contractual life	Number of RSUs vested
	#	(in years)	#
December 31, 2020	717,500	0.50	717,500
December 31, 2021	905,000	1.50	905,000
December 31, 2022	901,943	2.50	226,943
	2,524,443	1.93	1,849,443

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

Six months ended June 30, 2020

(Expressed in United States Dollars, unless otherwise noted)

12. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)*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, 2020	1,683,000
DSUs granted	432,499
Balance, June 30, 2020	2,115,499

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, 2020	38,905,213	0.62
Warrants exercised	(5,381,100)	0.61
Balance, June 30, 2020	33,524,113	0.62

The remaining contractual lives of warrants outstanding as at June 30, 2020 are as follows:

Weighted average exercise price	Number of warrants outstanding	Weighted average remaining contractual life
C\$	#	(in years)
0.65	10,968,863	0.57
0.60	22,555,250	1.26
0.62	33,524,113	1.03

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.

LIBERTY GOLD CORP.

(An exploration stage company)

Notes to the Condensed Interim Consolidated Financial Statements

Six months ended June 30, 2020

(Expressed in United States Dollars, unless otherwise noted)

13. NON-CONTROLLING INTEREST (continued)

(a) Summarised Balance Sheet

	KG LLC		Orta Truva	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Current				
Assets	\$ 1,479	\$ 3,521	\$ 255,839	\$ 88,149
Liabilities	(76,053)	(213,302)	(116,619)	(108,806)
Total Current net liabilities	\$ (74,574)	\$ (209,781)	\$ 139,220	\$ (20,657)
Non-Current				
Assets	\$ 701,199	\$ 701,181	\$ 1,910,050	\$ 1,979,018
Liabilities	(122,500)	(122,500)	(1,876,254)	(1,606,497)
Total Non-current net assets	\$ 578,699	\$ 578,681	\$ 33,796	\$ 372,521
Net Assets	\$ 504,125	\$ 368,900	\$ 173,016	\$ 351,864

(b) Summarised Statement of Loss

	KG LLC		Orta Truva	
	Three months ended June 30, 2020	2019	Three months ended June 30, 2020	2019
Statement of Loss	\$ 309,845	\$ 241,275	\$ 130,494	\$ 203,791
Other comprehensive Loss	-	-	-	-
Loss and other comprehensive Loss	\$ 309,845	\$ 241,275	\$ 130,494	\$ 203,791

	KG LLC		Orta Truva	
	Six months ended June 30, 2020	2019	Six months ended June 30, 2020	2019
Statement of Loss	\$ 311,562	\$ 261,034	\$ 486,950	\$ 485,109
Other comprehensive Loss	-	-	-	-
Loss and other comprehensive Loss	\$ 311,562	\$ 261,034	\$ 486,950	\$ 485,109

(c) Summarised cash flows

	KG LLC		Orta Truva	
	Six months ended June 30, 2020	2019	Six months ended June 30, 2020	2019
Net cash flow from:				
operating activities	\$ (448,830)	\$ (194,418)	\$ (125,372)	\$ (323,986)
financing activities	446,788	175,000	308,102	293,861
investing activities	-	-	-	-
Net increase (decrease) in cash	\$ (2,042)	\$ (19,418)	\$ 182,730	\$ (30,125)
Cash at the beginning of the year	2,142	43,466	87,110	109,696
Cash at the end of the year	\$ 100	\$ 24,048	\$ 269,840	\$ 79,571

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

Six months ended June 30, 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 June 30, 2020 are as follows:

Year	
2020	\$ 30,595
2021	61,190
2022	40,231
2023+	-
	\$ 132,016

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 June 30, 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:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Canada	\$ 1,288,305	\$ (778,929)	\$ (95)	\$ (1,327,532)
USA	(2,986,827)	(1,894,230)	(2,026,460)	(2,610,680)
Turkey	(222,342)	(293,652)	(390,298)	(561,492)
	\$ (1,920,864)	\$ (2,966,811)	\$ (2,416,853)	\$ (4,499,704)

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

	June 30,	December 31,
	2020	2019
Canada	\$ 380,147	\$ 458,571
USA	225,714	253,190
Turkey	22,199	31,959
	\$ 628,060	\$ 743,720

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**

Six months ended June 30, 2020

(Expressed in United States Dollars, unless otherwise noted)

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 June 30, 2020 total \$264,077 in expenditures, reflected in the Company's condensed interim consolidated statement of loss and comprehensive loss. As at June 30, 2020, Oxygen holds a refundable deposit of \$120,024 on behalf of the Company. Additionally, as at June 30, 2020 the Company held a payable to Oxygen of \$41,019, 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:

	Six months ended June 30,	
	2020	2019
Salaries and other short-term employee benefits	\$ 506,168	\$ 494,788
Share-based payments	705,464	89,315
Total	\$ 1,211,632	\$ 584,103

17. SUBSEQUENT EVENTS

Subsequent to period end on August 12th, 2020 (the "Halilağa Closing Date"), the Company announced the closing of the Halilağa Transaction (Note 7). The Company received \$6,000,000 on the Halilağa Closing Date and, as stipulated in the Halilağa Amended Agreement, will receive two bank guaranteed payments of \$6,000,000 each on August 15th, 2021 and August 15th, 2022 respectively.