



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

**Condensed Interim Consolidated Financial Statements**  
**Three months ended March 31, 2021**  
(Expressed in US Dollars)

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

	As at March 31, 2021	As at December 31, 2020
	\$	\$
<b>Assets</b>		
<i>Current assets</i>		
Cash and cash equivalents	17,458,474	16,734,378
Short term investments	97,880	97,388
Receivables and prepayments (Note 5)	354,718	505,464
Receivable on Halilağa Transaction (Note 5)	5,888,455	5,816,308
	<u>23,799,527</u>	<u>23,153,538</u>
Assets classified as held for sale (Note 6)	702,510	829,736
Total current assets	<u>24,502,037</u>	<u>23,983,274</u>
<i>Non-current assets</i>		
Receivable on Halilağa Transaction (Note 5)	5,468,107	5,377,858
Other financial assets (Note 7)	4,867,812	6,340,876
Deposits	438,468	356,203
Sales taxes receivable (Note 5)	456,620	610,805
Plant and equipment	798,385	566,499
Exploration and evaluation assets (Note 8a)	23,510,907	23,158,168
Total non-current assets	<u>35,540,299</u>	<u>36,410,409</u>
<b>Total assets</b>	<u>60,042,336</u>	<u>60,393,683</u>
<b>Liabilities and Shareholders' Equity</b>		
<i>Current liabilities</i>		
Consideration towards the sale of Kinsley (Note 6)	4,320,016	4,290,007
Accounts payable and accrued liabilities (Note 9)	1,101,322	1,434,789
Lease liabilities	64,299	159,213
	<u>5,485,637</u>	<u>5,884,009</u>
Liabilities directly associated with assets classified as held for sale (Note 6)	122,500	122,500
Total current liabilities	<u>5,608,137</u>	<u>6,006,509</u>
<i>Non-current liabilities</i>		
Lease liabilities	565,595	247,814
Deferred tax liabilities (Note 10)	2,055,677	1,866,740
Other liabilities	22,399	22,887
Total non-current liabilities	<u>2,643,671</u>	<u>2,137,441</u>
<i>Shareholders' equity</i>		
Share capital (Note 11)	206,570,341	201,996,513
Contributed surplus (Note 11)	29,434,684	29,621,385
Accumulated other comprehensive loss	(8,010,924)	(8,280,782)
Accumulated deficit	(184,138,336)	(179,160,645)
Total shareholders' equity	<u>43,855,765</u>	<u>44,176,471</u>
Non controlling interest (Note 13)	7,934,763	8,073,262
<b>Total liabilities and shareholders' equity</b>	<u>60,042,336</u>	<u>60,393,683</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, 2021.

"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,	
	2021	2020
	<u>\$</u>	<u>\$</u>
Operating expenses		
Exploration and evaluation expenditures (Note 8b)	1,337,732	794,715
Stock based compensation (Note 11b)	743,432	672,530
Wages and benefits	553,536	346,995
Office and general	247,843	171,843
Listing and filing fees	115,966	16,065
Professional fees	91,384	68,680
Depreciation	73,095	63,102
Investor relations, promotion and advertising	49,100	93,422
<b>Loss from operations</b>	<u>3,212,088</u>	<u>2,227,352</u>
Other income (expenses)		
Net gain on sale on Mineral Properties (Note 6)	712,735	-
Consideration received on purchase-option agreements (Note 8b)	201,731	158,238
Finance income on the Halilağa Transaction (Note 5)	162,396	-
Finance income	1,518	90,199
Net loss on sale of other financial assets (Note 7)	(78,606)	-
Foreign exchange gains (losses)	(208,630)	344,692
Other income (loss) (Note 12)	(321,710)	4,152
Change in fair value of other financial assets (Note 7)	(2,184,599)	(43,407)
Net gain on sale of Net Profit Interest	-	1,374,376
	<u>(1,715,165)</u>	<u>1,928,250</u>
Loss before tax	4,927,253	299,102
Income tax expense	188,937	196,887
<b>Loss for the period</b>	<u>5,116,190</u>	<u>495,989</u>
<b>Loss attributable to:</b>		
Shareholders	4,977,691	354,131
Non-controlling interests (Note 13)	138,499	141,858
	<u>5,116,190</u>	<u>495,989</u>
<b>Other comprehensive loss</b>		
Items that may be reclassified subsequently to net income		
Exchange gains (losses) on translations	269,858	(1,109,444)
Other comprehensive income (loss) for the period, net of tax	<u>269,858</u>	<u>(1,109,444)</u>
<b>Total loss and comprehensive loss for the period</b>	<u>4,846,332</u>	<u>1,605,433</u>
<b>Loss attributable to:</b>		
Shareholders	4,707,833	1,463,575
Non-controlling interests	138,499	141,858
<b>Total loss and comprehensive loss for the period</b>	<u>4,846,332</u>	<u>1,605,433</u>
<b>Loss per share</b>		
Basic and diluted loss per share	<u>\$ 0.02</u>	<u>\$ -</u>
Weighted average number of Common Shares		
Basic and diluted	261,312,520	241,778,296

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, 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	4,326,000	2,433,926	(517,891)	-	-	1,916,035	-	1,916,035
Stock based compensation	-	-	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
Balance as at December 31, 2020	255,491,893	201,996,513	29,621,385	(8,280,782)	(179,160,645)	44,176,471	8,073,262	52,249,733
Option, RSU and Warrant exercises (Note 11b)	7,407,142	4,573,828	(1,100,627)	-	-	3,473,201	-	3,473,201
Stock based compensation (Note 11b)	-	-	913,926	-	-	913,926	-	913,926
Cumulative translation adjustment	-	-	-	269,858	-	269,858	-	269,858
Net loss for the period	-	-	-	-	(4,977,691)	(4,977,691)	(138,499)	(5,116,190)
Balance as at March 31, 2021	262,899,035	206,570,341	29,434,684	(8,010,924)	(184,138,336)	43,855,765	7,934,763	51,790,528

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 Cash Flows**  
**(Expressed in United States Dollars - unaudited)**

	Three months ended March 31,	
	2021	2020
	\$	\$
<b>Cash flows from operating activities</b>		
Loss for the period	(5,116,190)	(495,989)
Adjusted for:		
Stock based compensation (Note 11b)	913,926	748,123
Depreciation	73,572	63,361
Finance income on the Halilağa Transaction (Note 5)	(162,396)	-
Consideration received on purchase-option agreements (Note 8b)	(201,731)	(158,238)
Net gain on sale of sale of Mineral Properties (Note 6b)	(712,735)	-
Change in fair value, and losses on disposal of financial assets	2,263,205	43,407
Deferred tax expense	188,937	196,887
Other non-cash items on the statement of loss	9,695	14,311
Foreign exchange not related to cash	39,660	8,186
Net gain on sale of Net Profit Interest	-	(1,374,376)
 Movements in working capital:		
Accounts receivable and prepayments	213,380	(52,099)
Accounts payable and other liabilities	(311,823)	(182,991)
Net cash outflow due to operating activities	<u>(2,802,500)</u>	<u>(1,189,418)</u>
 <b>Cash flows from financing activities</b>		
Cash received from exercise of share based payments and warrants	3,473,201	1,884,200
Contributions from non-controlling interest	-	23,000
Principal payments on lease liabilities	(58,734)	(51,652)
Interest payments on lease liabilities	(10,812)	(12,435)
Net cash inflow from financing activities	<u>3,403,655</u>	<u>1,843,113</u>
 <b>Cash flows from investing activities</b>		
Consideration on sale of Mineral Properties, net of selling costs	24,586	-
Consideration received on purchase-option agreements (Note 8i)	25,000	25,000
Proceeds from sale of other financial assets (Note 7)	283,788	-
Purchase of other financial assets (Note 7)	(33,959)	-
Land acquisition at Black Pine (Note 8a)	(352,739)	-
Purchase and proceeds of sale of property and equipment	(23,814)	-
Increase to surety bond collateral	(82,000)	-
Consideration on sale of Net Profit Interest, net of selling costs	-	787,379
Net cash inflow (outflow) due to investing activities	<u>(159,138)</u>	<u>812,379</u>
Effect of foreign exchange rates	<u>282,079</u>	<u>(860,912)</u>
Net increase (decrease) in cash and cash equivalents	724,096	605,162
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 period	16,734,378	14,367,657
Cash and cash equivalents at end of the period	<u>17,458,474</u>	<u>14,967,529</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, 2021

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

#### 1. GENERAL INFORMATION

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

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

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

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

#### 2. BASIS OF PRESENTATION

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

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the Annual Financial Statements. Certain comparative-period amounts in the statement of loss have been reclassified to conform to the current-year presentation. There is no impact to the loss for the comparative period.

#### 4. SIGNIFICANT ACCOUNTING ESTIMATES

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

#### 5. RECEIVABLES AND PREPAYMENTS

	March 31, 2021	December 31, 2020
Sales taxes receivable	\$ 126,814	\$ 20,454
Other receivables	80,263	391,350
Prepayments	147,641	93,660
	<b>\$ 354,718</b>	<b>\$ 505,464</b>

An additional \$456,620 in sales taxes receivable is classified as non-current and is expected to be recoverable when production begins or upon the sale of TV Tower (December 31, 2020: \$610,805). Receivables and prepayments associated with assets held for sale are described in Note 6.

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

Three months ended March 31, 2021

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

**5. RECEIVABLES AND PREPAYMENTS (continued)***(a) Receivable on Halilağa Transaction*

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

The Company has received \$10,000,000 pursuant to the terms of the Halilağa Transaction as at March 31, 2021, and will receive the remaining \$12,000,000 in equal guaranteed staged payments of \$6,000,000 due on August 15, 2021 and August 15, 2022 (the “Halilağa Staged Payments”).

The Halilağa Staged Payments are classified as financial assets at amortised cost and were recognized at a fair value on recognition of \$5,707,396 and \$5,242,361, respectively. The fair values on initial recognition were calculated based on cash flows discounted using a current lending rate.

As at March 31, 2021, the Halilağa Staged Payments have a carrying value of \$5,888,455 and \$5,468,107 for the payments due on August 15, 2021 and August 15, 2022, respectively. Finance income on the Halilağa Transaction of \$162,396 has been recognised in the statement of loss in the period ended March 31, 2021.

**6. ASSETS HELD FOR SALE**

<b>As at March 31, 2021</b>	<b>Stateline</b>	<b>Easter</b>	<b>Kinsley</b>	<b>Total</b>
Assets classified as held for sale	\$ -	\$ -	\$ 702,510	\$ <b>702,510</b>
Liabilities directly associated with assets classified as held for sale	\$ -	\$ -	\$ 122,500	\$ <b>122,500</b>
<b>As at December 31, 2020</b>	<b>Stateline</b>	<b>Easter</b>	<b>Kinsley</b>	<b>Total</b>
Assets classified as held for sale	\$ 92,601	\$ 34,627	\$ 702,508	\$ <b>829,736</b>
Liabilities directly associated with assets classified as held for sale	\$ -	\$ -	\$ 122,500	\$ <b>122,500</b>

*(a) Assets and liabilities of Kinsley disposal group*

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

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

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

Three months ended March 31, 2021

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

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

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

At March 31, 2021, the Initial Option Payment received by the Company consists of the following:

Cash consideration	\$ 1,250,000
Repayment of surety bond deposit	124,570
Fair value of common shares in New Placer Dome received <sup>1</sup>	2,722,992
<b>Consideration towards the sale of Kinsley at June 2, 2020</b>	<b>\$ 4,097,562</b>
Foreign exchange differences	192,445
<b>Consideration towards the sale of Kinsley at December 31, 2020</b>	<b>\$ 4,290,007</b>
Foreign exchange differences	30,009
<b>Consideration towards the sale of Kinsley at March 31, 2021</b>	<b>\$ 4,320,016</b>

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

The Initial Option Payment received has been recorded as a non-current liability as at March 31, 2021. The liability will be extinguished either upon the exercise of the option or upon option termination by New Placer Dome.

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

At March 31, 2021, 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	125,193
<b>Assets held for sale</b>	<b>\$ 702,510</b>
Other liabilities	122,500
<b>Liabilities held for sale</b>	<b>\$ 122,500</b>

Kinsley is included within the United States geographical segment.

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

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



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

Three months ended March 31, 2021

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

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

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

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

The Company recognised a gain on sale of \$712,735 on the sale of the Raindrop Properties, net of the capitalised acquisition costs of Stateline and Easter, and selling costs.

**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.

	<b>March 31,</b>	<b>December 31,</b>
	<b>2021</b>	<b>2020</b>
Huntsman Exploration Inc.	\$ 1,960,842	\$ 2,646,632
New Placer Dome Gold Corp.	1,402,594	2,464,238
Raindrop Ventures Inc.	859,259	-
Other	340,623	700,217
<b>Total Level 1 equity securities</b>	<b>\$ 4,563,318</b>	<b>\$ 5,811,087</b>
Ely Gold Warrants	304,494	529,789
<b>Total Level 2 equity securities</b>	<b>\$ 304,494</b>	<b>\$ 529,789</b>
<b>Total Level 1 and Level 2 equity securities</b>	<b>\$ 4,867,812</b>	<b>\$ 6,340,876</b>

During the period ending March 31, 2021, the Company received 2,500,000 Fremont Gold Ltd. ("Fremont") common shares pursuant to the terms of the purchase-option agreement to sell the Griffon project to Fremont, and 4,013,406 Raindrop shares (Note 6b).

The Level 2 fair value of the share purchase warrants ("Ely Gold Warrants") of Ely Gold Royalties, Inc. ("Ely Gold") 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 ending March 31, 2021, the Company exercised 100,000 Ely Gold Warrants for C\$0.43 per warrant and received 100,000 Ely Gold shares. The Company sold 380,200 Ely Gold shares during the period for a weighted average price of C\$0.95.

The Company recognised a loss of \$2,184,599 in the statement of loss in the change in fair value of other financial assets relating to the level 1 and level 2 equity securities held as at March 31, 2021.

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

Three months ended March 31, 2021

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

**8. EXPLORATION AND EVALUATION ASSETS**

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

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

	December 31, 2020	Additions	March 31, 2021
<b>USA</b>			
Black Pine	\$ 1,010,927	\$ 352,739	\$ 1,363,666
Goldstrike	8,486,985	-	8,486,985
<b>Total USA</b>	<b>\$ 9,497,912</b>	<b>\$ 352,739</b>	<b>\$ 9,850,651</b>
<b>Turkey</b>			
TV Tower	\$ 13,660,256	\$ -	\$ 13,660,256
<b>Total Turkey</b>	<b>\$ 13,660,256</b>	<b>\$ -</b>	<b>\$ 13,660,256</b>
<b>Total</b>	<b>\$ 23,158,168</b>	<b>\$ 352,739</b>	<b>\$ 23,510,907</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:

	Black Pine	Goldstrike	Properties under Option	Total USA	TV Tower	Other Exploration	Total
December 31, 2019	\$ 6,282,814	\$ 18,617,650	\$ 23,547,558	\$ 48,448,022	\$ 34,363,261	\$ 3,671,218	\$ 86,482,501
Drilling and assays	29,564	3,198	-	32,762	-	-	32,762
Wages and salaries	222,378	28,005	10,876	261,259	10,531	-	271,790
Software licenses	45,421	312	-	45,733	-	-	45,733
Metallurgy	125,417	-	-	125,417	-	-	125,417
Other	201,971	22,418	280	224,669	87,296	7,048	319,013
<b>March 31, 2020</b>	<b>\$ 6,907,565</b>	<b>\$ 18,671,583</b>	<b>\$ 23,558,714</b>	<b>\$ 49,137,862</b>	<b>\$ 34,461,088</b>	<b>\$ 3,678,266</b>	<b>\$ 87,277,216</b>
December 31, 2020	\$ 15,486,499	\$ 19,169,375	\$ 23,572,607	\$ 58,228,481	\$ 35,220,175	\$ 3,711,747	\$ 97,160,403
Drilling and assays	268,600	3,000	-	271,600	-	-	271,600
Wages and salaries	426,865	17,325	224	444,414	31,946	-	476,360
Software licenses	79,042	312	-	79,354	-	-	79,354
Metallurgy	138,038	225	-	138,263	-	-	138,263
Other	200,844	84,527	-	285,371	84,533	2,251	372,155
<b>March 31, 2021</b>	<b>\$ 16,599,888</b>	<b>\$ 19,274,764</b>	<b>\$ 23,572,831</b>	<b>\$ 59,447,483</b>	<b>\$ 35,336,654</b>	<b>\$ 3,713,998</b>	<b>\$ 98,498,135</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. Properties under Option are comprised of the Kinsley, Griffon, and Baxter Spring properties.

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

Three months ended March 31, 2021

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

**8. EXPLORATION AND EVALUATION ASSETS (continued)***(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”) and the agreement was subsequently amended on December 14, 2020 (“Amended Griffon Agreement”). In the period ending March 31, 2021, the Company received \$25,000 and 2,500,000 common shares in Fremont as part of the Amended Griffon Agreement. The fair value of the 2,500,000 common shares of Fremont was \$176,731 on the date of acquisition.

Terms of the Amended Griffon Agreement include:

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

The option payments received in the three month period ending March 31, 2021 of \$201,731 were recognised as income in the statement of loss as the carrying value of the Griffon property is nil.

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Trade payables	\$ 542,812	\$ 801,116
Decommissioning liability - current	340,300	340,300
Accrued liabilities	205,721	166,330
Other payables	12,489	127,043
	<b>\$ 1,101,322</b>	<b>\$ 1,434,789</b>

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

As at March 31, 2021 a decommissioning liability of \$122,500 (December 31, 2020: \$122,500) relating to the Kinsley property is recognised under *Liabilities Associated With Assets Classified As Held For Sale* (Note 6).

**10. DEFERRED TAX LIABILITY**

A deferred tax liability of \$2,055,677 has been recognised in the period ended March 31, 2021 arising from foreign exchange differences in the tax basis of the TV Tower mineral property held by Orta Truva (December 31, 2020: \$1,866,740).

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

Unlimited Common Shares with no par value.

*(b) Stock-based compensation*

For the three months ended March 31, 2021, the Company charged a total of \$913,926 of stock-based compensation expense to the statement of loss (three months ended March 31, 2020: \$748,123) of which \$170,494 is attributed to exploration and evaluation expenditures (three months ended March 31, 2020: \$75,593).

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

Three months ended March 31, 2021

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

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

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

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

	Options	Weighted Average Exercise Price
	#	C\$
Balance, December 31, 2020	17,519,666	0.77
Options granted	707,250	1.59
Options exercised	(2,593,801)	0.52
<b>Balance, March 31, 2021</b>	<b>15,633,115</b>	<b>0.85</b>

The weighted average share price at the date of exercise for share options exercised during the period was C\$1.63.

At March 31, 2021, Liberty Gold had incentive options issued to directors, officers, employees and key consultants to the Company outstanding as follows:

Range of prices	Number of Options outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number of Options exercisable	Weighted average exercise price of Options exercisable
	#	(in years)	C\$	#	C\$
C\$0.01 to C\$0.99	11,900,865	2.31	0.59	9,170,038	0.55
C\$1.00 to C\$1.99	3,507,250	4.66	1.63	1,502,250	1.59
C\$2.00 to C\$3.99	225,000	3.33	2.46	125,000	2.73
	<b>15,633,115</b>	<b>2.85</b>	<b>0.85</b>	<b>10,797,288</b>	<b>0.72</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.

The weighted average fair value of options granted during three months ended March 31, 2021 determined using Black-Scholes was C\$0.82 per option. The weighted average significant inputs into the model included a share price of C\$1.55 at the grant date, an exercise price of C\$1.59, a volatility of 64%, a dividend yield of 0%, an expected option life of 5 years and an annual risk-free interest rate of 0.86%. A weighted average 10.4% 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 which vest immediately.

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

Three months ended March 31, 2021

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

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

Transactions relating to RSUs are summarised as follows:

	<b>RSUs</b>
	#
Balance, January 1, 2021	2,576,039
RSUs exercised	(53,780)
<b>Balance, March 31, 2021</b>	<b>2,522,259</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, 2021	855,000	0.75	855,000
December 31, 2022	807,650	1.75	370,987
December 31, 2023	859,609	2.75	109,609
	<b>2,522,259</b>	<b>1.75</b>	<b>1,335,596</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, 2021	2,133,986
DSUs granted	21,997
<b>Balance, March 31, 2021</b>	<b>2,155,983</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, 2021	25,471,311	0.61
Warrants exercised	(4,759,561)	0.65
<b>Balance, March 31, 2021</b>	<b>20,711,750</b>	<b>0.60</b>

The remaining contractual lives of warrants outstanding as at March 31, 2021 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)
0.60	20,711,750	0.51

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

Three months ended March 31, 2021

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

**12. OTHER EXPENSES**

In the three month period ending March 31, 2021, the Company fell victim to a cyber-scam that resulted in the Company making a payment of \$326,900 which could not be recovered. The fraudulent payment made has been recorded as a loss in the statement of loss in the period.

**13. NON-CONTROLLING INTEREST**

The Company holds a 79.99% interest in KG LLC, the entity that holds the underlying lease and directly held claims that comprise the Kinsley Mountain property (together, “Kinsley”). The remaining 20.01% interest is held by Intor Resources Corporation (“Intor”). As of June 2, 2020, the Company’s interest in Kinsley is under option with New Placer Dome. Pursuant to the Amended Kinsley Sales Agreement, New Placer Dome is responsible for maintaining all mining claim maintenance fees, and to satisfy all expenditure obligations. There was no change in the value of the non-controlling interest during the three months ended March 31, 2021 (three months ended March 31, 2020: \$345)

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

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

## (a) Summarised Balance Sheet

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Current		
Assets	\$ 308,267	\$ 41,034
Liabilities	(124,870)	(88,347)
<b>Total Current net liabilities</b>	<b>\$ 183,397</b>	<b>\$ (47,313)</b>
Non-Current		
Assets	\$ 1,832,011	\$ 1,987,255
Liabilities	(2,055,677)	(1,866,740)
<b>Total Non-current net assets</b>	<b>\$ (223,666)</b>	<b>\$ 120,515</b>
<b>Net Assets</b>	<b>\$ (40,269)</b>	<b>\$ 73,202</b>

## (b) Summarised Statement of Loss

	<b>Three months ended March 31, 2021</b>	<b>2020</b>
Statement of Loss	\$ 373,312	\$ 356,456
Other comprehensive Loss	-	-
<b>Loss and other comprehensive Loss</b>	<b>\$ 373,312</b>	<b>\$ 356,456</b>

## (c) Summarised cash flows

	<b>Three months ended March 31, 2021</b>	<b>2020</b>
Net cash flow from:		
operating activities	\$ (94,042)	\$ (125,372)
financing activities	259,520	308,102
investing activities	-	-
<b>Net increase (decrease) in cash</b>	<b>\$ 165,478</b>	<b>\$ 182,730</b>
Cash at the beginning of the period	32,269	87,110
<b>Cash at the end of the period</b>	<b>\$ 197,747</b>	<b>\$ 269,840</b>

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

Three months ended March 31, 2021

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

**14. SEGMENT INFORMATION**

The Company's operations are in one segment, the exploration for gold, copper and other precious and base metals. Consistent with December 31, 2020, Liberty Gold has three geographic locations at March 31, 2021: Canada, the United States and Turkey. The total assets attributable to the geographic locations relate primarily to the exploration and evaluation assets held by the Company and disposal groups held for sale, which have been disclosed in Notes 9 and 7, respectively.

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

	<b>Three months ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Canada	\$ (3,752,932)	\$ (1,288,400)
USA	(939,495)	960,367
Turkey	(423,763)	(167,956)
	<b>\$ (5,116,190)</b>	<b>\$ (495,989)</b>

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

	<b>March 31,</b>	<b>December 31,</b>
	<b>2021</b>	<b>2020</b>
Canada	\$ 318,754	\$ 345,557
USA	458,685	197,080
Turkey	20,946	23,862
	<b>\$ 798,385</b>	<b>\$ 566,499</b>

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

**15. RELATED PARTY TRANSACTIONS**

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

*Oxygen Capital Corp*

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

Transactions with Oxygen during the three months ended March 31, 2021 total \$157,108 in expenditures, reflected in the Company's interim consolidated statement of loss and comprehensive loss (March 31, 2020: \$141,821). As at March 31, 2021, Oxygen holds a refundable deposit of \$129,829 on behalf of the Company (2020: \$115,549). Additionally, as at March 31, 2021 the Company held a payable to Oxygen of \$52,941, that was settled subsequent to March 31, 2021 (March 31, 2020: \$45,516).

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

Three months ended March 31, 2021

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

**15. RELATED PARTY TRANSACTIONS (continued)***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>2021</b>	<b>2020</b>
Salaries and other short-term employee benefits	\$ 272,844	\$ 251,327
Share-based payments	658,502	613,461
<b>Total</b>	<b>\$ 931,346</b>	<b>\$ 864,788</b>