Liberty Gold Corp.

A Gold Exploration & Development Company

Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in US Dollars)

Independent auditor's report

To the Shareholders of Liberty Gold Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Liberty Gold Corp. and its subsidiaries (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were

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addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of the Black Pine and Goldstrike exploration and evaluation assets *Refer to note 3 – Summary of material accounting policies, note 4 – Significant accounting judgments and estimates and note 9 –Exploration and evaluation assets to the consolidated financial statements.* The Company's carrying value of the Black Pine and Goldstrike exploration and evaluation assets (the E&E assets) was $11.0 million at December 31, 2023. Management assesses every reporting period to determine whether there are any indications of impairment relating to the E&E assets. If any such indication exists, then a formal estimate of recoverable amount is performed. Management makes significant judgments in assessing whether certain factors would be considered an indicator of impairment, which include the rights to explore in the specific area, the planned substantive expenditure on further exploration for and evaluation of mineral resources and whether sufficient data exists to indicate that extracting the resources will not be technically feasible or commercially viable, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. We considered this a key audit matter due to the significance of the E&E assets and the significant judgments made by management in assessing whether any indicators of impairment exist, which resulted in a high degree of auditor subjectivity in performing procedures to evaluate management's assessment.	Our approach to addressing the matter included the following procedures, among others: • Evaluated the reasonableness of management's assessment of whether any indicators of impairment exist related to the Black Pine and Goldstrike exploration and evaluation assets, which included the following: – Obtained, for a sample of mining titles, by reference to government registries, evidence to support (i) the rights to explore the area, and (ii) title expiration dates. – Read the board of directors' minutes and obtained budget approvals to evidence continued and planned substantive exploration and evaluation of mineral resources expenditure. – Assessed whether extracting the mineral resources will not be technically feasible or commercially viable, or if other facts and circumstances suggest that the carrying amount exceeds the recoverable amount, based on evidence obtained in other areas of the audit.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Leonard Wadsworth.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 28, 2024

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

	As at December 31, 2023	As at December 31, 2022
	$	$
Assets		
Current assets		
Cash and cash equivalents	8,985,824	19,718,060
Short term investments	96,353	95,288
Receivables and prepayments (Note 5)	316,593	397,980
Total current assets	9,398,770	20,211,328
Non-current assets		
Other financial assets (Note 6)	966,663	2,244,491
Deposits (Note 7)	575,800	709,416
Sales taxes receivable (Note 5)	256,829	303,247
Plant and equipment (Note 8)	531,254	676,198
Exploration and evaluation assets (Note 9a)	23,608,490	23,809,057
Total non-current assets	25,939,036	27,742,409
Total assets	35,337,806	47,953,737
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	785,897	1,476,658
Decommissioning liabilities (Note 10)	837,800	787,800
Lease liabilities	126,601	278,411
Total current liabilities	1,750,298	2,542,869
Non-current liabilities		
Lease liabilities	-	51,899
Deferred tax liabilities (Note 11)	3,154,864	2,732,051
Other liabilities	24,872	28,057
Total non-current liabilities	3,179,736	2,812,007
Shareholders' equity		
Share capital (Note 12)	252,757,917	245,152,730
Contributed surplus (Note 12)	31,419,724	30,788,723
Accumulated other comprehensive loss	(10,134,318)	(10,509,625)
Accumulated deficit	(246,406,943)	(226,482,507)
Total shareholders' equity	27,636,380	38,949,321
Non controlling interest (Note 13)	2,771,392	3,649,540
Total liabilities and shareholders' equity	35,337,806	47,953,737

The notes on pages 5 to 28 are an integral part of these consolidated financial statements.
These financial statements were approved by the board and authorised for issue on March 28, 2024.

"Wendy Louie", Director

"Rob Pease", Director

LIBERTY GOLD CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in United States Dollars)

	Year ended December 31, 2023	2022
	$	$
Operating expenses		
Exploration and evaluation expenditures (Note 9b)	(13,481,701)	(21,645,987)
Wages and benefits	(1,877,485)	(2,415,439)
Stock based compensation (Note 12c)	(1,844,191)	(2,246,533)
Office and general	(1,194,389)	(1,499,310)
Impairment - TV Tower (Note 9ai)	(1,040,802)	-
Professional fees	(379,266)	(595,210)
Investor relations, promotion and advertising	(252,197)	(339,114)
Depreciation	(195,454)	(353,345)
Listing and filing fees	(118,308)	(112,862)
Loss from operations	(20,383,793)	(29,207,800)
Other income (expense)		
Finance income	513,141	253,804
Other income	213,569	22,806
Net gain on sale of other financial assets (Note 6)	82,265	-
Foreign exchange gains (losses)	(246,945)	870,736
Change in fair value of other financial assets (Note 6)	(562,802)	(2,532,117)
Consideration received on purchase-option agreements (Note 9bii)	-	82,959
Finance income on the Halilağa Transaction	-	246,641
Net gain on sale of Kinsley	-	8,994,518
	(772)	7,939,347
Net loss before tax	(20,384,565)	(21,268,453)
Income tax expense	(422,813)	(59,388)
Net loss for the year	(20,807,378)	(21,327,841)
Net loss attributable to:		
Shareholders	(20,191,119)	(21,100,511)
Non-controlling interests (Note 13)	(616,259)	(227,330)
	(20,807,378)	(21,327,841)
Other comprehensive income (loss)		
Items that may be reclassified subsequently to net income		
Exchange gains (losses) on translations	375,307	(2,382,230)
Other comprehensive income (loss) for the year, net of tax	375,307	(2,382,230)
Total net loss and comprehensive loss for the year	(20,432,071)	(23,710,071)
Net loss attributable to:		
Shareholders	(19,815,812)	(23,482,741)
Non-controlling interests	(616,259)	(227,330)
Total loss and comprehensive loss for the year	(20,432,071)	(23,710,071)
Net loss per share		
Basic and diluted net loss per share	$ (0.06)	$ (0.07)
Basic and diluted weighted average number of Common Shares	326,340,110	310,470,019

The notes on pages 5 to 28 are an integral part of these consolidated financial statements.

LIBERTY GOLD CORP.

Consolidated Statements of Changes in Equity

(Expressed in United States Dollars)

	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, 2021	287,969,915	220,661,413	29,169,179	(8,127,395)	(208,903,286)	32,799,911	7,527,021	40,326,932
Bought-deal financing (Note 12b)	27,273,000	23,798,429	-	-	-	23,798,429	-	23,798,429
Private placement financing (Note 12b)	759,494	217,723	-	-	-	217,723	-	217,723
Share issue costs (Note 12b)	-	(1,560,987)	-	-	-	(1,560,987)	-	(1,560,987)
Option and RSU exercises (Note 12c)	3,110,113	2,036,152	(1,532,515)	-	-	503,637	-	503,637
Stock based compensation (Note 12c)	-	-	3,152,059	-	-	3,152,059	-	3,152,059
Cumulative translation adjustment	-	-	-	(2,437,274)	-	(2,437,274)	-	(2,437,274)
Derecognition of NCI on sale of Kinsley	-	-	-	-	3,091,716	3,091,716	(3,165,533)	(73,817)
Acquisition of additional interest in Orta Truva (Note 13)	-	-	-	55,044	429,574	484,618	(484,618)	-
Net loss for the year	-	-	-	-	(21,100,511)	(21,100,511)	(227,330)	(21,327,841)
Balance as at December 31, 2022	319,112,522	245,152,730	30,788,723	(10,509,625)	(226,482,507)	38,949,321	3,649,540	42,598,861
Private placement financing (Note 12b)	22,927,937	5,763,345	-	-	-	5,763,345	-	5,763,345
Share issuance on the repurchase of the Black Pine NSR (Note 12b)	200,000	39,183	-	-	-	39,183	-	39,183
Share issue costs (Note 12b)	-	(96,083)	-	-	-	(96,083)	-	(96,083)
RSU and DSU exercises (Note 12c)	2,714,407	1,898,742	(1,898,742)	-	-	-	-	-
Stock based compensation (Note 12c)	-	-	2,529,743	-	-	2,529,743	-	2,529,743
Contributions by non-controlling interest (Note 13)	-	-	-	-	-	-	50,000	50,000
Cumulative translation adjustment	-	-	-	330,101	-	330,101	-	330,101
Acquisition of additional interest in Orta Truva (Note 13)	-	-	-	45,206	266,683	311,889	(311,889)	-
Net loss for the year	-	-	-	-	(20,191,119)	(20,191,119)	(616,259)	(20,807,378)
Balance as at December 31, 2023	344,954,866	252,757,917	31,419,724	(10,134,318)	(246,406,943)	27,636,380	2,771,392	30,407,772

The notes on pages 5 to 28 are an integral part of these consolidated financial statements.

LIBERTY GOLD CORP.

Consolidated Statement of Cash Flows
(Expressed in United States Dollars)

	Year ended December 31, 2023	2022
	$	$
Cash flows from operating activities		
Loss for the period	(20,807,378)	(21,327,841)
Adjusted for:		
Stock based compensation (Note 12c)	2,529,743	3,152,059
Depreciation	364,628	539,417
Finance income on the Halilağa Transaction	-	(246,641)
Consideration received on purchase-option agreements	-	(82,959)
Change in fair value, and gains on disposal of financial assets (Note 6)	480,537	2,532,117
Deferred tax expense (Note 11)	422,813	59,388
Net gain on sale of interest in Kinsley	-	(8,994,518)
Net loss on sale of Black Pine NSR	7,344	-
Impairment - TV Tower (Note 9ai)	1,040,802	-
Other non-cash items on the statement of loss	18,480	43,286
Foreign exchange not related to cash	651,350	109,794
Movements in working capital:		
Accounts receivable and prepayments	97,801	73,118
Accounts payable and other liabilities	(609,837)	(362,782)
Net cash outflow due to operating activities	(15,803,717)	(24,505,562)
Cash flows from financing activities		
Gross proceeds from private placement financing, bought-deal financing (Note 12b)	5,763,345	24,016,152
Contributions from non-controlling interest (Note 13)	50,000	-
Share issue costs (Note 12b)	(96,083)	(1,560,987)
Cash received from exercise of share based payments and warrants	-	503,637
Principal payments on lease liabilities	(310,375)	(306,666)
Interest payments on lease liabilities	(19,653)	(42,008)
Net cash inflow from financing activities	5,387,234	22,610,128
Cash flows from investing activities		
Proceeds from sale of Black Pine NSR	3,610,000	-
Selling costs from sale of Black Pine NSR	(60,000)	-
Purchase of Black Pine NSR	(3,500,000)	-
Proceeds from sale of other financial assets (Note 6)	819,215	-
Acquisition of exploration and evaluation assets (Note 9a)	(840,235)	(298,150)
Purchase of property and equipment (Note 8)	(109,495)	(101,957)
Consideration received on purchase-option agreements	-	1,250,000
Staged payments on sale of Halilağa	-	6,000,000
Increase to surety bond collateral	-	(52,117)
Net cash inflow (outflow) due to investing activities	(80,515)	6,797,776
Effect of foreign exchange rates on cash and cash equivalents	(235,238)	(2,342,005)
Net increase (decrease) in cash and cash equivalents	(10,732,236)	2,560,337
Cash and cash equivalents at beginning of the year	19,718,060	17,157,723
Cash and cash equivalents at end of the year	8,985,824	19,718,060

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

1. GENERAL INFORMATION

Liberty Gold Corp. ("Liberty Gold" or the "Company") is incorporated and domiciled in Canada, and its registered office is at Suite 610 – 815 West Hastings Street, Vancouver, British Columbia, V6C 1B4.

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 and development stage business engaged in the acquisition and exploration of mineral properties located primarily in the United States of America and Türkiye.

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 consolidated financial statements, including comparative figures, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies used in the preparation of these consolidated financial statements are set out below.

(a) Basis of consolidation

The financial statements of Liberty Gold consolidate the accounts of Liberty Gold Corp. and its subsidiaries. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries are all entities (including structured entities) over which the Company has control. Liberty Gold controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

The principal subsidiaries of Liberty Gold and their geographic locations at December 31, 2023, were as follows:

Name of subsidiary	Principal activity	Location	Proportion of ownership interest and voting power held
Pilot Gold USA Inc.	Mineral exploration	United States	100%
Agola Madencilik Limited Şirketi ("Agola")	Mineral exploration	Türkiye	100%
Orta Truva Madencilik Şanayi ve Ticaret A.Ş ("Orta Truva")	Mineral exploration	Türkiye	72.1%
Cadillac Mining Corporation ("Cadillac")	Mineral exploration	Canada	100%
Pilot Goldstrike Inc.	Mineral exploration	United States	100%

(b) Foreign currencies

Items included in the financial statements of each subsidiary and associate in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date, giving rise to foreign exchange gains and losses in the consolidated statement of loss.

Liberty Gold raises its financing and incurs head office expenditures in Canadian dollars ("C$"), giving rise to a Canadian dollar functional currency. In order to enhance comparability with our peers and as a better representation of the principal currency used by the mining and mineral exploration industry, the presentation currency of these consolidated financial statements is in United States dollars. Any assets and liabilities of the Company held in foreign currencies are expressed in United States dollars using exchange rates prevailing at the end of the reporting period.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period; in this case, the exchange rates at the dates of the transactions are used. Equity transactions are translated using the exchange rate at the date of the transaction. Exchange differences arising from assets and liabilities held in foreign currencies, are recognised in other comprehensive loss as cumulative translation adjustments.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive loss related to the foreign operation are recognized in profit or loss.

(c) Exploration and evaluation assets and expenditures

Exploration and evaluation expenditures with the exception of acquisition costs, are charged to profit or loss in the period in which they are incurred. Acquisition costs are capitalized to exploration and evaluation assets and classified as non-current. Costs related to the acquisition of mineral properties are capitalized on a property-by-property basis until such a time as the property is placed in production, sold, abandoned or determined to be impaired. Option payments received on mineral property interests optioned to third parties are credited against previous capitalized acquisition costs for that mineral property interest. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the period received. Once it is probable that future economic benefits will flow to us, exploration and evaluation assets attributable to that area of interest (each a “Project”) are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment. The following criteria are used to assess the economic recoverability and probability of future economic benefits:

(i) *Viability:* a Proven and/or Probable Mineral Reserve has been established that demonstrates a positive financial return; and
(ii) *Authorizations*: necessary permits, access to critical resources and environmental programs exist or are reasonably obtainable.

Although we have taken steps to verify title to mineral properties in which we have an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee our title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

Acquired mineral and water rights are determined to be intangible assets, held within exploration and evaluation assets. As with plant and equipment, intangible assets are carried at cost less accumulated depreciation (if the asset has a finite useful life) and accumulated impairment losses. If the asset has an indefinite useful life, it is not amortized, however the assets are still tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(d) Plant and equipment

Plant and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Cost consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the consolidated statement of loss during the period in which they are incurred.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Useful lives are determined by Management on an asset-by-asset basis upon initial recognition. The major categories of plant and equipment noted below are depreciated straight-line over their estimated useful life:

Category	Estimated useful life
Field equipment	5 to 10 years
Equipment	3 years
Computer software	2 years
Furniture and fixtures	5 years
Buildings, building improvements, and land improvements	5 to 30 years

Depreciation expense of assets used in exploration is capitalized to deferred exploration expenditures. Management reviews the estimated useful lives, residual values and depreciation methods of the Company's plant and equipment at the end of each financial year and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

Depreciation expense of right-of-use assets are depreciated using the straight-line method from the lease 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.

Expenditures incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized, if the recognition criteria are satisfied.

(e) Leases

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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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.

(f) Impairment of long-lived assets

Plant and equipment and exploration and evaluation assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment is assessed on an asset-by-asset and Project-by-Project basis. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Provisions and constructive obligations

Provisions, including environmental restoration, restructuring costs and legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Constructive obligations are obligations that derive from the Company's actions where:

(i) An established pattern of past practice, published policies or a sufficiently specific current statement, whereby the Company has indicated to other parties that it will accept certain responsibilities; and
(ii) As a result, the Company has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Where the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(h) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by Liberty Gold and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current.

(i) Earnings or loss per share

Earnings or loss per share is calculated by dividing the net earnings (loss) available to common shareholders by the weighted average number of common shares of the Company ("Common Shares") outstanding during the reporting period. The calculation of diluted earnings per share assumes that outstanding stock options to purchase Common Shares ("Options"), restricted share units ("RSUs"), and deferred share units ("DSUs") are exercised and the proceeds are used to repurchase Common Shares at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share relative to basic earnings per share and is only recognized when the effect is dilutive.

(j) Financial Instruments

Financial assets and liabilities are recognized when Liberty Gold becomes a party to the contractual provisions of the instrument.

(i) Cash

Cash and cash equivalents comprise cash on hand, and deposits in banks that are readily convertible into a known amount of cash, or with an initial maturity of 90 days or fewer. Cash and cash equivalents are classified as subsequently measured at amortized cost.

(ii) Short Term Investments

Short term investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Liberty Gold's management has the positive intention and ability to hold to maturity. Short term investments are classified as subsequently measured at amortized cost.

(iii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Liberty Gold's loans and receivables are comprised of 'Receivables' and 'Deposits' and are classified respectively as appropriate in current or non-current assets according to their nature.

Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost. Trade receivables are recorded net of lifetime expected credit losses.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(iv) Other Financial Assets

Other financial assets consist of investments in marketable equity securities of publicly traded entities which are classified as subsequently measured at fair value through profit or loss. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the balance sheet date. Changes in fair value are recognized in the consolidated statement of loss.

(v) Accounts Payable, Accrued and Other Liabilities

Accounts payable, other liabilities and accrued liabilities are initially recognized at the amount required to be paid less, when material, a discount to reduce the payables to fair value. Subsequently, accounts payable are measured at amortized cost. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

(vi) Expected Credit Losses

Liberty Gold applies the IFRS 9 – Financial Instruments simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

(k) Share-Based Payments

(i) *Options:* An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value of Option grants is measured at the date of grant using the Black-Scholes option-pricing model (“Black-Scholes”) and the compensation amount, equal to the Option's fair value, is recognized over the period that the employees earn the Options.

The vesting periods of the Options granted range from vesting immediately to vesting over a three-year period. Each tranche is recognised on a straight-line basis over the vesting period.

Liberty Gold recognizes an expense or addition to exploration and evaluation assets for options granted under the Liberty Gold Stock Option Plan (2023) (the “Option Plan”), arising from stock Options granted to employees using the fair value method with a corresponding increase in equity. The amount recognized as an expense or added to exploration and evaluation assets, is adjusted to reflect the number of Options expected to vest.

(ii) *DSUs and RSUs:* Measured at fair value on the grant date. Equity settled DSUs and RSUs are recognized in equity. The expense is recognized over the vesting period, with a corresponding charge as an expense or capitalized to exploration and evaluation assets.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses. Estimates and judgments are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Further information on management’s judgments, estimates and assumptions and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) *Functional currency:* The functional currency for the parent entity, and each of its subsidiaries, is the currency of the primary economic environment in which the entity operates. The US and Turkish subsidiaries of the parent entity, have a US dollar functional currency, while the parent entity itself, and its remaining subsidiaries, have a Canadian dollar functional currency.

Determination of functional currency involves certain judgments to determine the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

(ii) *Review of asset carrying values and impairment assessment:* In accordance with the Company's accounting policy, each asset is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at the higher of value in use and fair value less costs to sell. The most significant assets assessed for impairment include the carrying value of its exploration and evaluation assets. Management makes significant judgments in assessing whether certain factors would be considered an indicator of impairment, which includes the rights to explore in the specific area, the planned substantive expenditure on further exploration for and evaluation of mineral resources and whether sufficient data exists to indicate that extracting the resources will not be technically feasible or commercially viable.

(iii) *Exploration and evaluation assets and expenditures:* The application of the Company's accounting policy for exploration and evaluation assets and expenditures requires judgment to determine whether future economic benefits are probable, from either future development or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) *Exploration and evaluation assets and expenditures:* In addition to applying judgment to determine whether it is probable that future economic benefits will arise from the Company's exploration and evaluation assets and expenditures, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company has to apply a number of estimates and assumptions.

(Expressed in United States Dollars, unless otherwise noted)

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

The publication of a resource pursuant to National Instrument 43-101, Standards of Disclosure for Mineral Projects, is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates are directly impacted when the Company defers its exploration and evaluation expenditures. Any such estimates and assumptions may change as new information becomes available. If information becomes available suggesting the recovery of acquisition costs is unlikely, the relevant capitalized amount is written off in the consolidated statement of loss and other comprehensive loss in the period when the new information becomes available.

The Company provides for such differences, where known, based on management's best estimate of the probable outcome of these matters.

5. RECEIVABLES AND PREPAYMENTS

	As at December 31,	
	2023	**2022**
Sales taxes receivable	$ 21,398	$ 27,432
Other receivables	40,261	110,173
Prepayments	254,934	260,375
	$ 316,593	**$ 397,980**

An additional $256,829 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, 2022: $303,247).

6. 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 December 31	
	2023	**2022**
CopAur Minerals Inc.	$ 739,506	$ 1,691,744
Fremont Gold Ltd.	92,621	116,288
Torrent Gold Inc. (formerly Raindrop Ventures Inc.)	106,207	-
Other	28,328	226,615
Total Level 1 equity securities	**$ 966,663**	**$ 2,034,647**
Torrent Gold Inc. (formerly Raindrop Ventures Inc.)	-	209,844
Total Level 2 equity securities	**$ -**	**$ 209,844**
Total Level 1 and Level 2 equity securities	**$ 966,663**	**$ 2,244,491**

(Expressed in United States Dollars, unless otherwise noted)

6. OTHER FINANCIAL ASSETS (continued)

In the year ending December 31, 2023, the Company transferred the fair value of the 2,006,703 common shares of Torrent ("Torrent Shares") held from Level 2 to Level 1, at the date that the resumption of trading of Torrent Shares occurred on the Canadian Securities Exchange.

During the year ending December 31, 2023, the Company recognized a net gain of $82,265, from the sale of equity securities. Gross proceeds from the sale of equity securities in the year ending December 31, 2023 were $819,215 (year ending December 31, 2022: $nil).

The Company recognised losses of $562,802 in the consolidated statement of loss for the year ending December 31, 2023 on the change in fair value of other financial assets relating to the equity securities held (year ending December 31, 2022: $2,532,117).

7. DEPOSITS

On August 1, 2012, Liberty Gold entered into a technical and administrative services agreement (the "Oxygen Agreement") with Oxygen Capital Corp. ("Oxygen") whereby Oxygen provides management, administrative and accounting services to the Company at cost.

The Oxygen Agreement was terminated effective September 30, 2023. In the year ending December 31, 2023, Oxygen returned the advance held of $100,792. The advance was held by Oxygen on behalf of the Company, that on termination of the Oxygen Agreement would be applied against the final three months of services (December 31, 2022: $145,990).

The Company holds a surety bonding arrangement with a third-party (the "Surety") in order to satisfy bonding requirements in the states of Idaho and Utah. The total collateralized balance as at December 31, 2023 is $488,740 (December 31, 2022: $488,740). An additional $87,060 is held with the Turkish General Directorate of Mining Affairs (at December 31, 2022: $74,686), in order to meet bonding requirements on the TV Tower property.

8. PLANT AND EQUIPMENT

	Owned assets (a)	Right-of-use assets (b)	Total
Net book value as at December 31, 2022	$ 446,513	$ 229,685	$ 676,198
Net book value as at December 31, 2023	**$ 412,973**	**$ 118,281**	**$ 531,254**

(Expressed in United States Dollars, unless otherwise noted)

8. PLANT AND EQUIPMENT (continued)

(a) Owned assets

Cost:	**Field equipment**	**Equipment**	**Computer software**	**Furniture and fixtures**	**Leasehold improvements**	**Total**
Balance as at December 31, 2022	$ 299,473	$ 686,794	$ 278,042	$ 260,348	$ 625,165	$ 2,149,820
Additions	50,805	29,443	28,389	858	-	109,495
Foreign currency translation	1,455	5,360	501	3,499	-	10,815
Balance as at December 31, 2023	**$ 351,733**	**$ 721,597**	**$ 306,930**	**$ 264,705**	**$ 625,165**	**$ 2,270,130**

Accumulated Depreciation:						
Balance as at December 31, 2022	$ 157,988	$ 617,840	$ 276,905	$ 253,769	$ 396,805	$ 1,703,307
Depreciation charge	34,904	33,136	7,639	1,548	64,485	141,713
Foreign currency translation	1,223	4,988	2,426	3,499	-	12,136
Balance as at December 31, 2023	**$ 194,117**	**$ 655,964**	**$ 286,971**	**$ 258,816**	**$ 461,290**	**$ 1,857,157**

Net Book Value:						
As at December 31, 2022	$ 141,485	$ 68,954	$ 1,136	$ 6,578	$ 228,360	$ 446,513
As at December 31, 2023	**$ 157,618**	**$ 65,633**	**$ 19,960**	**$ 5,888**	**$ 163,875**	**$ 412,973**

Equipment consists of automobiles, automotive equipment, and computer hardware. There were no disposals of plant and equipment in the year ended December 31, 2023.

(b) Right-of-use (leased) assets

The Company has entered into lease contracts for premises in Canada, the United States and Türkiye. 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 were paid to Oxygen, pursuant to the Oxygen Agreement. The Oxygen Agreement was terminated effective September 30, 2023.

Right of use assets are made up of office premises in the Company's three geographic segments and automobiles and leased trailers in the United States. Contingent rental expenditures of $65,610 consisting of operating costs have been charged to the consolidated statement of loss for the year ended December 31, 2023 (year ended December 31, 2022: $91,734).

(Expressed in United States Dollars, unless otherwise noted)

8. PLANT AND EQUIPMENT (continued)

Carrying value:		**Offices**		**Automobiles**		**Other**		**Total**
Balance as at December 31, 2022	$	125,101	$	76,706	$	27,878	$	229,685
Additions		121,474		-		-		121,474
Depreciation charge		(152,118)		(49,454)		(21,343)		(222,915)
Termination of lease contract		-		(9,523)		-		(9,523)
Foreign currency translation		(440)		-		-		(440)
Balance as at December 31, 2023	$	94,017	$	17,729	$	6,535	$	118,281

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.

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

	Black Pine	Goldstrike	Kinsley	**Total USA**	TV Tower	**Total**
December 31, 2021	$ 1,363,666	$ 8,486,985	$ 575,838	**$ 10,426,489**	$ 13,660,256	**$ 24,086,745**
Additions	298,150	-	-	**298,150**	-	**298,150**
Disposals	-	-	(575,838)	**(575,838)**	-	**(575,838)**
December 31, 2022	**$ 1,661,816**	**$ 8,486,985**	**$ -**	**$ 10,148,801**	**$ 13,660,256**	**$ 23,809,057**
Additions	840,235	-	-	**840,235**	-	**840,235**
Disposals	-	-	-	**-**	-	**-**
Impairment charge	-	-	-	**-**	(1,040,802)	**(1,040,802)**
December 31, 2023	**$ 2,502,051**	**$ 8,486,985**	**$ -**	**$ 10,989,036**	**$12,619,454**	**$ 23,608,490**

i) Impairment – TV Tower

As a result of impairment indicators including external market information, it was determined that an impairment test should be undertaken for the TV Tower property. It was determined that the carrying value of TV Tower exceeded its recoverable amount. Accordingly, an impairment loss of $1,040,802 was recognized in the statement of loss and comprehensive loss in the year ending December 31, 2023. The recoverable amount used in the determination of impairment charges is TV Tower's fair value less cost of disposal which is categorized as level 3 fair value estimate. The recoverable amount was estimated using comparative enterprise values and recent market information.

ii) Black Pine Royalty Transaction

On September 15, 2023, the Company acquired the existing 0.5% Net Smelter Royalty ("NSR") from a private company on certain claims at Black Pine by delivering $3,500,000 in cash consideration and 200,000 Common Shares, with a market price of C$0.265 for a fair value of $39,183 (C$53,000). Concurrently, the Company granted a new 0.5% NSR to an affiliate of Wheaton Precious Metals, covering all claims comprising Black Pine. The Company received $3,600,000 on the sale of the NSR and $10,000 for the right of first refusal for total cash consideration of $3,610,000. The Company was granted an option to repurchase 50% of the NSR for $3,600,000 at any point in time up to the earlier of commercial production at Black Pine or January 1, 2030.

(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 expensed in the consolidated statement of loss are as follows:

	Black Pine	Goldstrike	**Total USA**	TV Tower	Other Exploration	**Total**
Drilling and assays	$ 8,748,800	$ 2,446,743	**$ 11,195,543**	$ -	$ -	**$ 11,195,543**
Wages and salaries	2,269,158	901,818	**3,170,976**	175,823	3,296	**3,350,095**
Road & site prep.	1,016,860	111,940	**1,128,800**	-	-	**1,128,800**
Field support	896,154	91,519	**987,673**	-	-	**987,673**
Environmental, safety, and community	828,239	199,742	**1,027,981**	-	-	**1,027,981**
Consulting and professional fees	652,565	625,352	**1,277,917**	-	-	**1,277,917**
Metallurgy	408,951	190,903	**599,854**	-	-	**599,854**
Property and water	378,210	202,665	**580,875**	-	-	**580,875**
Other	759,336	382,931	**1,142,267**	354,982	-	**1,497,249**
December 31, 2022	**$ 15,958,273**	**$ 5,153,613**	**$ 21,111,886**	**$ 530,805**	**$ 3,296**	**$ 21,645,987**
Drilling and assays	$ 4,949,928	$ 10,013	**$ 4,959,941**	$ -	$ -	**$ 4,959,941**
Wages and salaries	1,679,923	266,002	**1,945,925**	183,311	-	**2,129,236**
Consulting and professional fees	1,532,029	157,977	**1,690,006**	-	-	**1,690,006**
Metallurgy	638,036	319,808	**957,844**	-	-	**957,844**
Field support	805,597	4,371	**809,968**	-	-	**809,968**
Property and water	412,750	324,868	**737,618**	-	-	**737,618**
Road & site prep.	597,303	39,967	**637,270**	-	-	**637,270**
Environmental, safety, and community	612,117	2,248	**614,365**	-	-	**614,365**
Other	492,619	25,985	**518,604**	426,849	-	**945,453**
December 31, 2023	**$ 11,720,302**	**$ 1,151,239**	**$ 12,871,541**	**$ 610,160**	**$ -**	**$ 13,481,701**

Wages and salaries include stock-based compensation (See Note 12c).

(Expressed in United States Dollars, unless otherwise noted)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Year ended December 31, 2023	2022
Trade payables	$ 389,345	$ 744,009
Decommissioning liability - current	837,800	787,800
Accrued liabilities	380,453	692,722
Other payables	16,099	39,927
	$ 1,623,697	**$ 2,264,458**

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

During the year ended December 31, 2023, the current decommissioning liability relating to the Company's Black Pine and Goldstrike properties was increased by $50,000 (year ended December 31, 2022: increase by $95,000) and $nil (year ended December 31, 2022: increase by $nil), respectively.

11. INCOME TAXES

The recovery of income taxes differs from the amount that would have resulted from applying combined Canadian federal and provincial statutory tax rates for 2023 of 27.00% (2022: 27.00%).

	Year ended December 31, 2023	2022
Loss before taxes	$ (20,384,565)	$ (21,268,453)
Statutory tax rate	27.00%	27.00%
Expected income tax expense (recovery)	(5,503,833)	(5,742,482)
Permanent differences	1,557,715	1,398,610
Sale of KG LLC	-	(1,855,697)
Change in deferred income tax rates	683,013	-
Benefit not recognized and other	3,685,918	6,258,957
Income tax expense	**$ 422,813**	**$ 59,388**

A deferred tax liability of $3,154,864 has been recorded as at December 31, 2023 (December 31, 2022: $2,732,051) arising from foreign exchange differences in the tax basis of the TV Tower mineral property held by Orta Truva.

The following are temporary differences the net benefits of which have not been recognized:

	Year ended December 31, 2023	2022
Operating losses carried forward	$ 110,816,550	$ 98,729,796
Equipment	326,022	248,094
Mineral properties	49,737,197	48,438,268
Investments and other	9,976,526	9,618,520
Total temporary differences	**$ 170,856,294**	**$ 157,034,678**

(Expressed in United States Dollars, unless otherwise noted)

11. INCOME TAXES (continued)

The Company has non-capital losses which may be applied to reduce future taxable income. These losses expire between 2024 and 2043. For losses incurred in the United States in 2018 and subsequent years, the losses carry forward indefinitely with some usage restrictions:

	Canada	US	Türkiye	Total
December 31, 2023	**$39,230,723**	**$71,139,412**	**$446,415**	**$110,816,550**

There are no current income taxes owed by the Company as at December 31, 2023.

12. SHARE CAPITAL AND CONTRIBUTED SURPLUS

(a) Authorized

Unlimited Common Shares with no par value.

(b) Issued

(i) On September 15, 2023, the Company closed a non-brokered private placement whereby the Company issued 22,927,937 Common Shares at C$0.34 per share, for gross proceeds of $5,763,345 (C$7,795,500). Transaction costs of $96,083 were recognized in equity during the year ended December 31, 2023.

(ii) On September 15, 2023, the Company also issued 200,000 Common Shares as part of the acquisition costs for the repurchase of the 0.5% NSR (Note 7(b)). The market price at the date of issue was C$0.265 for a total value of $39,183 (C$53,000).

(c) Stock-based compensation

For the year ended December 31, 2023, the Company charged a total of $2,529,743 of stock-based compensation expense to the consolidated statement of loss (year ended December 31, 2022: $3,152,059) of which $685,552 is attributed to exploration and evaluation expenditures (year ended December 31, 2022: $905,526).

(i) Stock Options

The Liberty Gold Stock Option Plan was approved on June 14, 2023. Under the terms of the Option Plan, the Board may, from time to time, grant to employees, officers and directors of, or consultants to the Company, non-assignable Options in such numbers and for such terms as may be determined by the Board.

The number of Common Shares which may be issued pursuant to Options previously granted and those granted under the Option Plan will be a maximum of 10% of the issued and outstanding Common Shares at the time of the grant; the number of Common Shares which may be reserved for issuance to any one individual may not exceed 5% of the issued and outstanding Common Shares.

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.

(Expressed in United States Dollars, unless otherwise noted)

12. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

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

	Options	Weighted Average Exercise Price
	#	C$
Balance, January 1, 2022	**16,826,448**	**0.98**
Options granted	6,309,870	0.63
Options expired	(645,000)	0.47
Options forfeited	(2,033,344)	1.10
Options exercised	(1,311,666)	0.49
Balance, December 31, 2022	**19,146,308**	**0.90**
Options granted	3,255,000	0.36
Options expired	(1,869,200)	0.32
Options forfeited	(1,921,667)	0.44
Balance, December 31, 2023	**18,610,441**	**0.91**

At December 31, 2023, Liberty Gold had 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$0.50	3,310,000	4.77	0.33	433,334	0.43
C$0.51 to C$0.99	11,182,391	2.47	0.84	8,710,734	0.86
C$1.00 to C$1.99	3,943,050	2.01	1.57	3,733,050	1.58
C$2.00 to C$2.99	175,000	1.52	2.18	175,000	2.18
	18,610,441	**2.77**	**0.91**	**13,052,118**	**0.95**

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 the year ended December 31, 2023 determined using Black-Scholes was C$0.19 per option. The weighted average significant inputs into the model included a share price of C$0.36 at the grant date, an exercise price of C$0.36, a volatility of 68%, a dividend yield of 0%, an expected Option life of 3.83 years and an annual risk-free interest rate of 3.57%. A weighted average 10.16% 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 or after 12 months.

(Expressed in United States Dollars, unless otherwise noted)

12. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

Transactions relating to RSUs are summarised as follows:

	RSUs
	#
Balance, January 1, 2022	4,502,745
RSUs granted	2,810,000
RSUs exercised	(1,284,744)
RSUs forfeited	(284,165)
Balance, December 31, 2022	**5,743,836**
RSUs granted	5,183,479
RSUs exercised	(1,831,793)
RSUs forfeited	(765,205)
RSUs expired	(50,001)
Balance, December 31, 2023	8,280,316

Expiry Date	**Number of RSUs outstanding**	**Weighted average remaining contractual life**	**Number of RSUs vested**
	#	(in years)	#
December 31, 2024	1,568,504	1.00	1,061,842
December 31, 2025	1,528,333	2.00	451,669
December 31, 2026	5,183,479	3.00	-
	8,280,316	**2.44**	**1,513,511**

(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, 2022	**2,238,934**
DSUs granted	85,423
DSUs exercised	(513,703)
Balance, December 31, 2022	**1,810,654**
DSUs granted	1,152,356
DSUs exercised	(882,614)
Balance, December 31, 2023	2,080,396

(Expressed in United States Dollars, unless otherwise noted)

13. NON-CONTROLLING INTEREST

Liberty Gold owns a 72.1% (2022: 68.7%) controlling interest of the TV Tower property through a 72.1% ownership stake in Orta Truva. The remaining 27.9% interest is held by TMST. The value of the non-controlling interest in Orta Truva increased by $50,000 (2022: $nil) during the year ended December 31, 2023, upon receipt of funding from the non-controlling interest holder, TMST. The Company's controlling interest in Orta Truva increased by 3.4% in the year ended December 31, 2023.

Summary financial information Orta Truva is as set out below and is shown before intercompany eliminations and includes the purchase price adjustment from the acquisition of a controlling interest in Orta Truva on March 12, 2015. The loss in Orta Truva relates to exploration and evaluation expenditures, impairment, foreign exchange and the deferred tax expense (Note 9).

(a) Summarised Balance Sheet

	December 31, 2023	December 31, 2022
Current		
Assets	$ 26,741	$ 72,083
Liabilities	(139,130)	(88,645)
Total current net assets (liabilities)	$ (112,389)	$ (16,562)
Non-current		
Assets	$ 13,235,466	$ 14,310,309
Deferred tax liabilities	(3,154,864)	(2,732,051)
Total non-current net assets	$ 10,080,602	$ 11,578,258
Net assets	**$ 9,968,213**	**$ 11,561,696**

(b) Summarised Statement of Loss

	Year ended December 31, 2023	2022
Statement of Loss	$ 2,208,815	$ 726,294
Other comprehensive Loss	-	-
Loss and other comprehensive Loss	**$ 2,208,815**	**$ 726,294**

(c) Summarised cash flows

	Year ended December 31, 2023	2022
Net cash flow from:		
operating activities	$ (643,767)	$ (666,974)
financing activities	615,332	679,859
investing activities	-	-
Net increase (decrease) in cash	$ (28,435)	$ 12,885
Cash at the beginning of the year	35,433	22,548
Cash at the end of the year	**$ 6,998**	**$ 35,433**

14. CAPITAL DISCLOSURES

Liberty Gold considers the items included in the consolidated statement of shareholders' equity as capital. Management of the Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Liberty Gold's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

15. FINANCIAL RISK MANAGEMENT

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of documented treasury policies, counterparty limits, and controlling and reporting structures.

The type of risk exposure and the way in which such exposure is managed is provided below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's exposure to credit risk is limited to the carrying value of the cash and cash equivalents, short-term investments, and accounts receivable on the consolidated statement of financial position. The Company held cash of $8,180,240 and cash equivalents of $805,584 at 31 December 2023 (2022: cash of $13,803,039 and cash equivalents of $5,915,021).

The Company manages exposure to credit risk primarily through maintaining its cash and short-term investments with high credit quality banking institutions in Canada, the USA and Türkiye. The majority of funds are held in Canadian chartered banks and are not covered by separate deposit insurance. Credit risk is mitigated on these financial instruments in accordance with the Company's investment policy.

Fair Value Estimation

For the majority of the Company's financial assets and liabilities, the carrying value approximates their estimated fair value due to their short-term nature.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash and cash equivalents. The Company's financial liabilities of accounts payable and accrued liabilities are payable within a 30 day period and are expected to be funded from the cash held.

Interest Rate Risk

We are subject to interest rate risk with respect to our investments in cash and cash equivalents and short term investments. Our current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned.

15. FINANCIAL RISK MANAGEMENT (continued)

Market Risk

The significant market risk to which the Company is exposed is foreign exchange risk.

Foreign Exchange Risk

The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. The majority of the Company's mineral property expenditures, including the cash calls from the Company's 27.9% partner at Orta Truva are incurred in United States dollars. Certain mineral property expenditures are also incurred in Turkish Lira. The fluctuation of the Canadian dollar and the Turkish Lira in relation to the United States dollar will consequently have an impact upon the financial results of the Company.

Further, although only a portion of the Company's expenditures, primarily general and administrative costs are incurred in Canadian dollars, the Company records its assets located in Vancouver in Canadian dollars. As the operating results and financial position of the Company are reported in United States dollars in Liberty Gold's consolidated financial statements, there may also be an impact to the reported value of the Company's assets, liabilities, and shareholders' equity as a result of the fluctuation of the CAD in relation to the United States dollar. A 10% increase or decrease in the exchange rate of the US dollar against the Canadian dollar would result in a $637,640 increase or decrease respectively (December 31, 2022: $874,775), in the Company's cash and short-term investment balance. The Company has not entered into any derivative contracts to manage foreign exchange risk at this time.

16. COMMITMENTS

Leases

Upon adoption of IFRS 16 – Leases, 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 December 31, 2023 are nil.

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

17. 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, 2022, Liberty Gold has three geographic locations at December 31, 2023: Canada, the United States and Türkiye. The total assets attributable to the geographic locations relate primarily to the exploration and evaluation assets held by the Company which have been disclosed in Note 9.

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

	Year ended December 31,	
	2023	**2022**
Canada	$ (4,742,052)	$ (7,654,163)
USA	(13,948,676)	(12,963,276)
Türkiye	(2,116,950)	(710,402)
	$ (20,807,378)	**$ (21,327,841)**

(Expressed in United States Dollars, unless otherwise noted)

17. SEGMENT INFORMATION (continued)

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

	Year ended December 31, 2023	2022
Canada	$ 106,553	$ 111,427
USA	383,424	549,183
Türkiye	41,277	15,588
	$ 531,254	**$ 676,198**

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

18. RELATED PARTY TRANSACTIONS

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

Oxygen Capital Corp

Oxygen is a private company owned by three former directors of the Company. Oxygen provided 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. Oxygen did not charge a fee to the Company, allocating all expenses at cost. Effective June 14, 2023, Oxygen is no longer a related party.

The Master Services Agreement with between the Company and Oxygen was terminated effective September 30, 2023.

Transactions with Oxygen for the period January 1, 2023, to June 14, 2023, total $182,517 in expenditures, reflected in the Company's condensed interim consolidated statement of loss and comprehensive income (loss) (year ended December 31, 2022: $628,934).

Compensation of key management personnel

Key management includes members of the Board, Chief Executive Officer, the President and Chief Operating Officer, VP Exploration & Geoscience, Chief Financial Officer & Corporate Secretary, SVP Corporate Development, 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:

	Year ended December 31, 2023	2022
Salaries and other short-term employee benefits	$ 1,621,486	$ 1,962,557
Share-based payments	1,879,330	2,098,776
Total	**$ 3,500,816**	**$ 4,061,333**