



Liberty Gold Corp.

A Gold Exploration & Development Company

Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2023

(Expressed in US Dollars - unaudited)

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

	As at September 30, 2023	As at December 31, 2022
	<u>\$</u>	<u>\$</u>
Assets		
<i>Current assets</i>		
Cash and cash equivalents	11,513,640	19,718,060
Short term investments	95,367	95,288
Receivables and prepayments (Note 5)	582,798	397,980
Total current assets	<u>12,191,805</u>	<u>20,211,328</u>
<i>Non-current assets</i>		
Other financial assets (Note 6)	1,721,290	2,244,491
Deposits	567,802	709,416
Sales taxes receivable (Note 5)	260,091	303,247
Plant and equipment	603,677	676,198
Exploration and evaluation assets (Note 7a)	24,649,292	23,809,057
Total non-current assets	<u>27,802,152</u>	<u>27,742,409</u>
Total assets	<u>39,993,957</u>	<u>47,953,737</u>
Liabilities and Shareholders' Equity		
<i>Current liabilities</i>		
Accounts payable and accrued liabilities (Note 8)	1,198,294	1,476,658
Decommissioning liabilities (Note 8)	957,800	787,800
Lease liabilities	184,148	278,411
Total current liabilities	<u>2,340,242</u>	<u>2,542,869</u>
<i>Non-current liabilities</i>		
Lease liabilities	10,458	51,899
Deferred tax liabilities (Note 9)	2,732,051	2,732,051
Other liabilities	32,181	28,057
Total non-current liabilities	<u>2,774,690</u>	<u>2,812,007</u>
<i>Shareholders' equity</i>		
Share capital (Note 10)	251,258,353	245,152,730
Contributed surplus (Note 10)	32,608,151	30,788,723
Accumulated other comprehensive loss	(10,408,384)	(10,509,625)
Accumulated deficit	(242,026,701)	(226,482,507)
Total shareholders' equity	<u>31,431,419</u>	<u>38,949,321</u>
Non controlling interest (Note 11)	<u>3,447,606</u>	<u>3,649,540</u>
Total liabilities and shareholders' equity	<u>39,993,957</u>	<u>47,953,737</u>

The notes on pages 5 to 13 are an integral part of these condensed interim consolidated financial statements.

The board has delegated the authority to approve these condensed interim consolidated financial statements to the audit committee. These condensed interim consolidated financial statements were approved by the audit committee on November 9, 2023.

"Wendy Louie", Director

"Rob Pease", Director

LIBERTY GOLD CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Income (Loss)
(Expressed in United States Dollars - unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Operating expenses				
Exploration and evaluation expenditures (Note 7b)	(4,422,146)	(5,557,095)	(11,449,571)	(17,107,977)
Stock based compensation (Note 10c)	(370,366)	(368,599)	(1,724,436)	(1,831,721)
Wages and benefits	(449,472)	(415,867)	(1,408,390)	(1,472,192)
Office and general	(326,487)	(306,281)	(966,190)	(1,085,400)
Professional fees	(73,211)	(72,994)	(305,329)	(489,094)
Investor relations, promotion and advertising	(70,321)	(99,751)	(220,819)	(291,024)
Depreciation	(54,205)	(94,870)	(151,940)	(339,492)
Listing and filing fees	(18,905)	(4,956)	(111,977)	(107,926)
Loss from operations	(5,785,113)	(6,920,413)	(16,338,652)	(22,724,826)
Other income (expense)				
Finance income	113,616	70,595	413,364	117,225
Other income	3,427	5,631	190,060	16,918
Net gain on sale of other financial assets (Note 6)	63,740	-	86,264	-
Foreign exchange gains (losses)	(64,562)	951,769	(139,394)	1,021,775
Change in fair value of other financial assets (Note 6)	194,192	(547,725)	42,230	(2,358,695)
Finance income on the Halilaga Transaction	-	50,820	-	246,641
Net gain on sale of Kinsley	-	-	-	8,994,518
	310,413	531,090	592,524	8,038,382
Net loss before tax	(5,474,700)	(6,389,323)	(15,746,128)	(14,686,444)
Income tax expense	-	-	-	(59,388)
Net loss for the period	(5,474,700)	(6,389,323)	(15,746,128)	(14,745,832)
Net loss attributable to:				
Shareholders	(5,429,909)	(6,346,623)	(15,544,194)	(14,531,299)
Non-controlling interests (Note 11)	(44,791)	(42,700)	(201,934)	(214,533)
	(5,474,700)	(6,389,323)	(15,746,128)	(14,745,832)
Other comprehensive income (loss)				
Items that may be reclassified subsequently to net income				
Exchange gains (losses) on translations	(55,245)	(1,980,147)	101,241	(2,702,829)
Other comprehensive income (loss) for the period, net of tax	(55,245)	(1,980,147)	101,241	(2,702,829)
Total net loss and comprehensive income (loss) for the period	(5,529,945)	(8,369,470)	(15,644,887)	(17,448,661)
Net loss attributable to:				
Shareholders	(5,485,154)	(8,326,770)	(15,442,953)	(17,234,128)
Non-controlling interests	(44,791)	(42,700)	(201,934)	(214,533)
Total loss and comprehensive loss for the period	(5,529,945)	(8,369,470)	(15,644,887)	(17,448,661)
Net loss per share				
Basic and diluted net loss per share	\$ (0.02)	\$ (0.02)	\$ (0.05)	\$ (0.05)
Basic and diluted weighted average number of Common Shares	323,104,611	316,899,496	320,497,414	307,936,719

The notes on pages 5 to 13 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, 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	27,273,000	23,798,429	-	-	-	23,798,429	-	23,798,429
Share issue costs	-	(1,551,946)	-	-	-	(1,551,946)	-	(1,551,946)
Option, RSU and Warrant exercises	1,691,628	1,162,395	(834,543)	-	-	327,852	-	327,852
Stock based compensation	-	-	2,568,898	-	-	2,568,898	-	2,568,898
Cumulative translation adjustment	-	-	-	(2,702,829)	-	(2,702,829)	-	(2,702,829)
Derecognition of NCI on sale of Kinsley	-	-	-	-	3,091,716	3,091,716	(3,165,533)	(73,817)
Net loss for the period	-	-	-	-	(14,531,299)	(14,531,299)	(214,533)	(14,745,832)
Balance as at September 30, 2022	316,934,543	244,070,291	30,903,534	(10,830,224)	(220,342,869)	43,800,732	4,146,955	47,947,687
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 10b)	22,927,937	5,763,345	-	-	-	5,763,345	-	5,763,345
Share issuance on the repurchase of the Black Pine NSR (Note 10b)	200,000	39,183	-	-	-	39,183	-	39,183
Share issue costs (Note 10b)	-	(96,310)	-	-	-	(96,310)	-	(96,310)
RSU exercises (Note 10c)	384,541	399,405	(399,405)	-	-	-	-	-
Stock based compensation (Note 10c)	-	-	2,218,833	-	-	2,218,833	-	2,218,833
Cumulative translation adjustment	-	-	-	101,241	-	101,241	-	101,241
Net loss for the period	-	-	-	-	(15,544,194)	(15,544,194)	(201,934)	(15,746,128)
Balance as at September 30, 2023	342,625,000	251,258,353	32,608,151	(10,408,384)	(242,026,701)	31,431,419	3,447,606	34,879,025

The notes on pages 5 to 13 are an integral part of these condensed interim consolidated financial statements.

LIBERTY GOLD CORP.

Condensed Interim Consolidated Statement of Cash Flows
(Expressed in United States Dollars - unaudited)

	Nine months ended September 30,	
	2023	2022
	\$	\$
Cash flows from operating activities		
Loss for the period	(15,746,128)	(14,745,832)
Adjusted for:		
Stock based compensation (Note 10c)	2,218,833	2,568,898
Depreciation	278,504	377,584
Finance income on the Halilağa Transaction	-	(246,641)
Change in fair value, and gains on disposal of financial assets (Note 6)	(128,494)	2,358,695
Deferred tax expense	-	59,388
Net gain on sale of interest in Kinsley	-	(8,994,518)
Net loss on sale of Black Pine NSR	5,826	-
Other non-cash items on the statement of loss	27,257	46,151
Foreign exchange not related to cash	508,946	44,013
Movements in working capital:		
Accounts receivable and prepayments	(152,053)	228,496
Accounts payable and other liabilities	(134,347)	328,416
Net cash outflow due to operating activities	<u>(13,121,656)</u>	<u>(17,975,350)</u>
Cash flows from financing activities		
Gross proceeds from private placement financing, bought-deal financing (Note 10b)	5,763,345	23,798,429
Share issue costs (Note 10b)	(96,310)	(1,551,946)
Cash received from exercise of share based payments and warrants	-	327,852
Principal payments on lease liabilities	(244,535)	(230,036)
Interest payments on lease liabilities	(15,716)	(33,835)
Net cash inflow from financing activities	<u>5,406,784</u>	<u>22,310,464</u>
Cash flows from investing activities		
Proceeds from sale of Black Pine NSR	3,610,000	-
Purchase of Black Pine NSR	(3,500,000)	-
Proceeds from sale of other financial assets (Note 6)	656,423	-
Acquisition of exploration and evaluation assets (Note 7a)	(840,235)	-
Purchase of property and equipment	(97,861)	(44,629)
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	<u>(171,673)</u>	<u>7,153,254</u>
Effect of foreign exchange rates on cash and cash equivalents	<u>(317,875)</u>	<u>(2,537,874)</u>
Net increase (decrease) in cash and cash equivalents	(8,204,420)	8,950,494
Cash and cash equivalents at beginning of the period	19,718,060	17,157,723
Cash and cash equivalents at end of the period	<u>11,513,640</u>	<u>26,108,217</u>

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

LIBERTY GOLD CORP.
(A Gold Exploration & Development Company)
Notes to the Condensed Interim Consolidated Financial Statements
Nine months ended September 30, 2023
(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 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 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 condensed interim consolidated financial statements (the "Interim Financial Statements") have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), applicable to the preparation of interim financial statements, including International Accounting Standard 34 - Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the Company's annual consolidated financial statements ("Annual Financial Statements") for the year ended December 31, 2022, which have been prepared in accordance with 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. The following accounting amendments were adopted by the Company in the current period:

The Company adopted the IASB published amendments to IAS 1 - Presentation of Financial Statements - Classification of debt with covenants as current or non-current at January 1, 2023. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least 12-months after the reporting period. The amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognized as either equity or a liability separately from the liability component under IAS 32 - Financial Instruments Presentation.

Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. The IASB has now clarified that when classifying liabilities as current or non-current, a company can ignore only those conversion options that are recognized as equity. The Company has concluded that the adoption of the amendments had no significant impact on its interim condensed consolidated financial statements.

The Company adopted the IASB published amendments to IAS 12 - Income Taxes at January 1, 2023. The amendments require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments typically apply to transactions such as leases for the lessee and decommissioning and restoration obligations related to assets in operation. The Company has concluded that the adoption of the amendments had no significant impact on its interim condensed consolidated financial statements.

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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

	September 30, 2023	December 31, 2022
Sales taxes receivable	\$ 13,909	\$ 27,432
Other receivables	119,006	110,173
Prepayments	449,883	260,375
	\$ 582,798	\$ 397,980

An additional \$260,091 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, 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.

	September 30, 2023	December 31, 2022
CopAur Minerals Inc.	\$ 1,416,643	\$ 1,691,744
Torrent Gold Inc. ("Torrent")	148,425	-
Fremont Gold Ltd.	122,966	116,288
Other	33,256	226,615
Total Level 1 equity securities	\$ 1,721,290	\$ 2,034,647
Torrent Gold Inc.	-	209,844
Total Level 2 equity securities	\$ -	\$ 209,844
Total Level 1 and Level 2 equity securities	\$ 1,721,290	\$ 2,244,491

In the period ending September 30, 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.

LIBERTY GOLD CORP.**(A Gold Exploration & Development Company)****Notes to the Condensed Interim Consolidated Financial Statements**

Nine months ended September 30, 2023

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

6. OTHER FINANCIAL ASSETS (continued)

During the three and nine months period ending September 30, 2023, the Company recognized a net gain of \$63,740 and \$86,264, respectively, from the sale of equity securities (three months ended September 30, 2022: \$nil; nine months ended September 30, 2022: \$nil). Gross proceeds from the sale of equity securities in the nine months ending September 30, 2023 were \$656,423.

The Company recognized a gain of \$194,192 and \$42,230, respectively, in the statement of loss for the three and nine months ended September 30, 2023 on the change in fair value of other financial assets relating to the equity securities held (three months ended September 30, 2022: loss of \$547,725; nine months ended September 30, 2022: loss of \$2,358,695).

7. 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:

	Black Pine	Goldstrike	USA Total	TV Tower	Total
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	-	-	-	-	-
September 30, 2023	\$ 2,502,051	\$ 8,486,985	\$ 10,989,036	\$ 13,660,256	\$ 24,649,292

In the nine month period ending September 30, 2023, the Company acquired additional private lands for consideration of \$840,235 for the Black Pine project.

i) 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 of the Company, 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 has been 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.

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7. EXPLORATION AND EVALUATION ASSETS (continued)

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

	Black Pine	Goldstrike	Total USA	TV Tower	Other Exploration	Total
Drilling and assays	\$ 6,086,744	\$ 2,268,102	\$ 8,354,846	\$ -	\$ -	\$ 8,354,846
Wages and salaries	1,496,261	736,247	2,232,508	128,806	2,927	2,364,241
Field support	921,432	309,817	1,231,249	-	-	1,231,249
Road & site prep	885,487	57,737	943,224	-	-	943,224
Consulting and professional fees	594,267	723,998	1,318,265	-	-	1,318,265
Environmental, safety, and community	439,741	82,363	522,104	-	-	522,104
Property and water	283,132	300,226	583,358	-	-	583,358
Metallurgy	259,173	46,047	305,220	-	-	305,220
Other	925,408	220,425	1,145,833	339,637	-	1,485,470
September 30, 2022	\$ 11,891,645	\$ 4,744,962	\$ 16,636,607	\$ 468,443	\$ 2,927	\$ 17,107,977
Drilling and assays	\$ 4,724,257	\$ 10,013	\$ 4,734,270	\$ -	\$ -	\$ 4,734,270
Wages and salaries	1,319,225	237,688	1,556,913	140,131	-	1,697,044
Field support	755,519	4,246	759,765	-	-	759,765
Consulting and professional fees	718,531	88,559	807,090	-	-	807,090
Environmental, safety, and community	619,947	42,929	662,876	-	-	662,876
Metallurgy	615,208	317,180	932,388	-	-	932,388
Road & site prep	526,537	-	526,537	-	-	526,537
Property and water	191,388	280,942	472,330	-	-	472,330
Other	489,288	22,655	511,943	345,328	-	857,271
September 30, 2023	\$ 9,959,900	\$ 1,004,212	\$ 10,964,112	\$ 485,459	\$ -	\$ 11,449,571

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

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8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2023	December 31, 2022
Trade payables	\$ 780,836	\$ 744,009
Accrued liabilities	399,876	692,722
Other payables	17,582	39,927
	\$ 1,198,294	\$ 1,476,658

Trade payables and accrued liabilities are non-interest bearing and are normally settled on 30-day terms.

A decommissioning liability of \$957,800 has been recognised as at September 30, 2023 (December 31, 2022: \$787,800). During the nine month period ending September 30, 2023, the current decommissioning liability relating to the Company's Black Pine project was increased by \$170,000 (nine month period ending September 30, 2022: increase by \$85,000).

9. DEFERRED TAX LIABILITY

A deferred tax liability of \$2,732,051 has been recognised in the period ending September 30, 2023 arising from foreign exchange differences in the tax basis of the TV Tower mineral property held by Orta Truva (December 31, 2022: \$2,732,051).

10. 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 shares at C\$0.34 per share, for gross proceeds of \$5,763,345 (C\$7,795,500). Transaction costs of \$96,310 were recognized in equity during the nine months ended September 30, 2023.
- ii) On September 15, 2023 the company also issued 200,000 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 three and nine month period ended September 30, 2023, the Company charged a total of \$537,948 and \$2,218,833, respectively, of stock-based compensation expense to the statement of loss (three months ended September 30, 2022: \$592,207; nine months ended September 30, 2022: \$2,568,898) of which \$167,582 and \$494,397, respectively, is attributed to exploration and evaluation expenditures (three months ended September 30, 2022: \$223,608; nine months ended September 30, 2022: \$737,177).

i) *Stock Options ("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.

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10. 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, December 31, 2022	19,146,308	0.90
Options granted	645,000	0.57
Options forfeited	(46,667)	1.03
Balance, September 30, 2023	19,744,641	0.89

In the period ending September 30, 2023, the Company granted a total of 645,000 options. Of these, 600,000 were to newly appointed Directors and 45,000 were to external consultants. These options vested immediately.

At September 30, 2023, 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\$0.50	4,169,200	2.38	0.37	2,169,200	0.34
C\$0.51 to C\$0.99	11,457,391	2.75	0.83	6,945,730	0.88
C\$1.00 to C\$1.99	3,943,050	2.26	1.57	3,111,387	1.57
C\$2.00 to C\$2.99	175,000	1.77	2.18	175,000	2.17
	19,744,641	2.57	0.89	12,401,317	0.98

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 nine months ended September 30, 2023 determined using Black-Scholes was C\$0.29 per option. The weighted average significant inputs into the model included a share price of C\$0.57 at the grant date, an exercise price of C\$0.57, a volatility of 65.1%, a dividend yield of 0%, an expected option life of 3.74 years and an annual risk-free interest rate of 3.58%. A weighted average 8.13% forfeiture rate was applied to the option expense.

ii) *Restricted Share Units ("RSUs")*

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.

Transactions relating to RSUs are summarised as follows:

	RSUs
	#
Balance, December 31, 2022	5,743,836
RSUs redeemed	(384,541)
Balance, September 30, 2023	5,359,295

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10. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

Expiry Date	Number of RSUs outstanding #	Weighted average remaining contractual life (in years)	Number of RSUs vested #
December 31, 2023	581,753	0.25	340,091
December 31, 2024	1,967,542	1.25	1,007,547
December 31, 2025	2,810,000	2.25	-
	5,359,295	1.67	1,347,638

iii) *Deferred Share Units ("DSUs")*

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, December 31, 2022	1,810,654
DSUs granted	1,112,799
Balance, September 30, 2023	2,923,453

11. NON-CONTROLLING INTEREST

Liberty Gold owns a 68.7% controlling interest of the TV Tower property through a 68.7% ownership stake in Orta Truva. The remaining 31.3% interest is held by Teck Madencilik Sanayi Ticaret A.Ş. a subsidiary of Teck Resources Limited.

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 Orta Truva on March 12, 2015. The loss in Orta Truva relates to exploration and evaluation expenditures, foreign exchange and the deferred tax expense (Note 9).

(a) Summarised Balance Sheet

	September 30, 2023	December 31, 2022
Current		
Assets	\$ 41,850	\$ 72,083
Liabilities	(99,458)	(88,645)
Total current net liabilities	\$ (57,608)	\$ (16,562)
Non-current		
Assets	\$ 14,271,530	\$ 14,310,309
Deferred tax liabilities	(2,732,051)	(2,732,051)
Total non-current net assets	\$ 11,539,479	\$ 11,578,258
Net Assets	\$ 11,481,871	\$ 11,561,696

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11. NON-CONTROLLING INTEREST (continued)

(b) Summarised Statement of Loss

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Statement of Loss	\$ 143,102	\$ 119,945	\$ 645,156	\$ 602,621
Other comprehensive Loss		-		-
Loss and other comprehensive Loss	\$ 143,102	\$ 119,945	\$ 645,156	\$ 602,621

(c) Summarised Cash Flows

	Nine months ended September 30,	
	2023	2022
Net cash flow from		
Operating activities	\$ (584,007)	\$ (484,126)
Financing activities	565,331	679,859
Investing activities	-	-
Net increase (decrease) in cash	\$ (18,678)	\$ 195,733
Cash at the beginning of the period	35,433	22,548
Cash at the end of the period	\$ 16,757	\$ 218,281

12. 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 September 30, 2023: 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 which have been disclosed in Note 7a.

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Canada	\$ (981,056)	\$ (797,176)	\$ (3,489,753)	\$ (5,980,301)
USA	(4,364,778)	(5,518,234)	(11,694,564)	(8,160,772)
Turkey	(128,866)	(73,913)	(561,811)	(604,759)
	\$ (5,474,700)	\$ (6,389,323)	\$ (15,746,128)	\$ (14,745,832)

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

	September 30, 2023	December 31, 2022
Canada	\$ 131,406	\$ 111,427
USA	433,828	549,183
Turkey	38,443	15,588
	\$ 603,677	\$ 676,198

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

13. 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")

Oxygen is a private company owned by three former 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. 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) (nine months ended September 30, 2022: \$453,402). As at September 30, 2023, Oxygen holds a refundable deposit of \$103,491 on behalf of the Company (December 31, 2022: \$145,990), that was refunded subsequent to period end.

Compensation of key management personnel

Key management includes members of the Board, the President and Chief Executive Officer, Chief Operating Officer, VP Exploration, 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:

	Nine months ended September 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 1,309,735	\$ 1,091,228
Share-based payments	1,769,422	1,753,132
Total	\$ 3,079,157	\$ 2,844,360