# Liberty Gold Corp.

A Gold Exploration & Development Company

**Management's Discussion and Analysis**
**For the year ended December 31, 2021.**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Year ended December 31, 2021.

This Management's Discussion and Analysis, dated as of March 25, 2022 is for the year ended December 31, 2021 (the "**MD&A**"), and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021 of Liberty Gold Corp. (in this MD&A, also referred to as "**Liberty Gold**", or the "**Company**", or "**we**", or "**our**", or "**us**"), the related notes thereto (together, the "**Annual Financial Statements**"), and other corporate filings, including our Annual Information Form for the year ended December 31, 2021, dated March 25, 2022 (the "**AIF**"), available under our company profile on SEDAR at www.sedar.com. Our reporting currency is the United States dollar ("**$**", or "**USD**"); dollar figures in this MD&A are expressed in USD unless otherwise stated. Canadian dollars herein are expressed as "**C$**"[1]. In this MD&A gold may be expressed as ("**Au**"), silver may be expressed as ("**Ag**") and copper may be expressed as ("**Cu**").

This MD&A contains forward-looking statements that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business, exploration activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, or those described under the heading "*Risk Factors*" in our AIF, which can be found on Liberty Gold's SEDAR profile at www.sedar.com, and those set forth in this MD&A under the headings *"Cautionary Notes Regarding Forward-Looking Statements"*, "*Industry and Economic Factors that May Affect our Business"* and "*Other Risks and Uncertainties*" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

### HIGHLIGHTS FROM 2021 AND SUBSEQUENT EVENTS:

Corporate

- On March 25, 2022 the Company closed a bought deal financing for gross proceeds of C$30,000,300 (the "**2022 Bought Deal**")[2]. As of the date of this MD&A, we have $34.74 million in cash to continue exploring and de-risking our highly- prospective Black Pine and Goldstrike oxide gold projects in the Great Basin, USA.
- In May of 2021 we appointed a new Vice President, Business Development, Brian Martin, a mining finance professional with over 13 years of experience in mergers and acquisitions, corporate strategy, investor relations and capital markets[3].
- In July of 2021 we appointed a new Chief Operating Officer, Dr. Jonathan Gilligan, a senior mining executive with over 35-years of multi-commodity, international experience across technical services, capital projects, open pit mine construction and operations[4].
- On August 12, 2021, we received the second of three staged-payments of $6.00 million on the sale of the Halilağa porphyry copper gold deposit in Turkey ("**Halilağa**"). A further $6.00 million is expected to be received on August 11, 2022.[5]
- During 2021, the Company received a total of C$12,626,850 from the exercise of 21,044,750 common share purchase warrants ("**Warrants**"), issued pursuant to the bought deal financing that closed on October 2, 2018; the Warrants were exercisable for C$0.60 each and expired on October 2, 2021.

At the Black Pine project in southeastern Idaho ("**Black Pine**") we:

- Announced the first modern mineral resource estimate (the "**Black Pine Resource**")[6]:
  - An indicated mineral resource of 1,715,000 ounces of gold at an average grade of 0.51 grams per tonne of gold ("**g/t Au**") and totaling 105,075,000 tonnes; and
  - An inferred mineral resource of 370,000 ounces of gold at an average grade of 0.37 g/t Au and totaling 31,211,000 tonnes.
- Drilled 71,740 m in 256 reverse circulation ("**RC**") and core holes in 2021 focused on:
  - Drilling pursuant to conversion of inferred resources to indicated resources in the Discovery Zone;
  - Step-out drilling on known targets;
  - Testing of new targets such as the Rangefront discovery;

[1] As at December 31, 2021, the value of C$1.00 was approximately $0.79; the daily average OANDA Rate™
[2] See press release dated March 25, 2022
[3] See press release dated May 17, 2021
[4] See press release dated June 29, 2021
[5] See press release dated August 12, 2020.
[6] See press release dated July 13, 2021

  - Metallurgical and geotechnical drilling.
- Announced a fourth, new, gold discovery ("**Rangefront**") at Black Pine under the Company's ownership. Rangefront mineralization includes 0.91 g/t Au over 86.9 metres ("**m**") and 2.03 g/t Au over 21.3 m in LBP356, and 1.23 g/t Au over 24.4 m and 1.37 g/t Au over 50.3 m in LBP358 as well as 1.95 g/t Au over 41.1 m, including 4.43 g/t Au over 10.8m in LBP473[7]
- Continued to drill define the Rangefront focus area ("**RFA**") through the winter months, which now encompasses an area of approximately one square kilometre ("$km^2$"), and a high-grade gold zone over an area measuring approximately 300 x 750 m. The RFA remains open to the northwest, northeast and east.
- Announced results from the 2021 exploration drill program elsewhere at Black Pine, which extended known gold mineralization in the discovery zone to the east and west (the "**Discovery Zone**") and the E-zone to the west and north (the "**E-Zone**").[8]
- Secured access to future process water supply exceeding 2,300 acre-feet per annum and a strategic mineral rights leases from the state of Idaho covering 2.6 $km^2$.[9]
- Released results from the phase 3 metallurgical program confirming[10]:
  - Excellent leach kinetics with >80% extraction in less than 10 days
  - Relative insensitivity of gold extraction to crush size
  - These results, combined with results from the previous two phases of metallurgical test work and geological modelling support Run-of-Mine ("**ROM**") heap leaching as the preferred process route for Black Pine.

At the Goldstrike oxide gold project in southwest Utah ("**Goldstrike**") we:

- Drilled 15,574 m in 108 RC holes in 2021, focused on:
  - Potential upgrade of the inferred resource into the indicated category
  - Step-out drilling on known mineralization.
  - Confirming the presence of high-grade, near-surface oxide gold mineralization in multiple areas.
  - De-risking the asset towards a pre-feasibility study.
- Confirmed the continuity of high-grade gold mineralization across the Main Zone, which hosts the largest portion of economic mineralization identified to date, with results including 0.94 g/t Au over 59.4 m, including 1.30 g/t Au over 16.8 m in PGS 798 and 0.64 g/t Au over 45.7 m, and 0.57 g/t Au over 36.6 m in PGS 807 as well as 0.89 g/t Au over 30.5 m in PGS 828[11].
- Announced additional drill results including 3.60 g/t Au over 15.2 m including 7.75 g/t Au over 6.1 m in PGS754 and 0.81 g/t Au over 61.0 m, including 1.48 g/t Au over 15.2 m in PGS773, which continue to reinforce the broader presence of high-grade gold mineralization across the Goldstrike deposit area[12].
- Progressed further de-risking activities focused on future utilities supply, baseline environmental studies, installation of a meteorological station on site and early-stage stakeholder engagement.

At the TV Tower project in Turkey ("**TV Tower**"):

- Announced maiden resource estimates for five gold and copper deposits, more than tripling the existing resource endowment.[13]

## OUTLOOK

At Liberty Gold, the safety and health of our employees, our contractors and the public come first and foremost. In fulfilling this commitment, Liberty Gold and its board and management, supervisors, employees, and contractors recognize that each of us has the responsibility to make safety our top priority. In doing so, Liberty Gold endeavours to ensure compliance with all relevant laws and regulations and will continue to keep up to date with the latest developments for management of the current pandemic of the novel coronavirus (COVID-19).

In 2022, Liberty Gold is focused on its strategy of growing and de-risking our high-quality oxide gold projects in the Great Basin, USA. At Black Pine an 85,000 m exploration drill program is underway in order to expand the current resource base and target new discoveries. Core drilling is also planned to support metallurgical testing and engineering

[7] See press release dated September 1, 2021 and January 18, 2022
[8] See press release dated October 7, 2021
[9] See press release dated February 10, 2022
[10] See press release dated October 27, 2021
[11] See press release dated January 11, 2022 and February 15,2022.
[12] See press releases dated September 8, 2021 and October 20, 2021
[13] See press release dated April 6, 2021

studies in support of future economic studies. At Goldstrike, we have commenced a 25,000 m drill program to in-fill and step-out from the known mineralized zones to demonstrate the further potential of the current resource and to provide material for metallurgical, geochemical and geotechnical studies, in preparation for a formal pre-feasibility study.

Liberty Gold began 2022 with a strong treasury of $17.2 million in cash. These funds, along with the proceeds of the 2022 Bought Deal, remaining staged payments from the Halilağa Agreement (as defined below), and the final payment on the option on the Kinsley project in the Elko and White Pine Counties, Nevada ("**Kinsley**") will enable us to continue our planned activities through all of 2022 and beyond.

Our 2022 budget for exploration, development and administration is $33.7 million and our outlook for the year is as follows:

***2022 Program - Black Pine***

At Black Pine, our 2022 budget is approximately $19 million, with our goal to continue an aggressive exploration program targeting resource expansion and discovery of new mineralization, including a number of as-yet untested targets, as we continue to delineate the global footprint of the mineralized system. The budget for 2022 also includes funds allocated to exploration and engineering drilling, metallurgy, engineering studies and permitting activities, as we continue to diligently move the project forward.

The 2022 budget includes funds for:

- 84,000 m of RC drilling, which commenced in January (17,300 meters drilled to-date), focused on understanding the full size and extent of the gold mineralized system as well as expanding and increasing confidence in the current resource. Key deliverables include:
  - Rangefront Focus Area ("RFA") resource definition and expansion drilling
  - Discovery Zone expansion drilling
  - M-Zone, Back-Range, E Zone and SW Extension drilling
  - Targeting new discoveries south and north of the existing RFA footprint and along the western margin of the permit area
- De-risking activities include identifying access to power and acquiring additional mineral and water rights in the vicinity of Black Pine.
- An updated mineral resource estimate and preliminary economic assessment targeting completion in the second half of 2022.
- Phase 4 metallurgical column leach tests on low-grade material that will be completed in the first half of 2022 and phase 5 column leach tests on broader variability composites from 1,300 m of large diameter ("PQ Core") core drilling completed in Q1 2022.
- An amendment to our plan of operations ("PoO3") to allow additional exploration and condemnation activities on lands administered by the U.S. Bureau of Land Management ("BLM") to the east of the main Black Pine deposit. A record of decision on PoO3 is expected in the second half of 2022.

***2022 Program - Goldstrike***

At Goldstrike, our 2022 budget totals $9.5 million, a significant increase from the 2021 program, with our goal to ramp-up exploration, complete resource delineation drilling and conduct core drilling in support of metallurgical, geochemical and geotechnical studies. The intent is to complete these key resource and engineering programs this year, in preparation for the commencement of a formal pre-feasibility study in 2023, followed by a mine plan of operations permit submission.

The 2022 budget includes funds for:

- A 21,000 m RC drill program that commenced in March, with the primary objective to expand on the current resource model, including:
  - 15,000 m of resource upgrade and step-out drilling;
  - 3,000 m of new target exploration; and
  - 3,000 m of condemnation drilling.
- A PQ Core drilling program of 4,400 m that commenced in March to provide:
  - Variability composites for a phase 3 metallurgical column leach test program; and
  - Geotechnical data to facilitate pre-feasibility level slope stability evaluation and material for geochemical and other studies.
- Identification of process water sources and environmental baseline work.

## OVERALL PERFORMANCE

Liberty Gold's expenditures for the year ended December 31, 2021, as compared to our budgeted cash exploration and development expenditures on our property interests are summarized (in 000s) as follows:

| Project | Liberty Gold ownership[2] | Minerals | Year ended December 31, 2021 | |
|---|---|---|---|---|
| | | | Cash expenditures | Budgeted expenditures[1] |
| Black Pine | 100% | Gold | $15,133 | $14,621 |
| Goldstrike | 100% | Gold | $2,385 | $3,061 |
| **Total** | | | $17,518 | $17,682 |

[1] In July and December 2021 an amended budget was approved by the Company's Board of Directors (the "**Board**"). Amounts shown as budgeted expenditures for the entirety of 2021 reflect the amendment.

During the year ended December 31, 2021, we incurred approximately $17.52 million in cash exploration expenditures at Black Pine and Goldstrike, which is in line with the budget over the same period of $17.68 million. Cash expenditures for general administration, capital expenditures and other costs, totalling $5.60 million for the year ended December 31, 2021, were over the $5.35 budgeted over the same period, due mainly to capital infrastructure improvement costs.

### *Black Pine (100% owner or controlled and operator)*

Black Pine is a past-producing, heap leach gold mine located in southeastern Idaho, between Utah State Highway 30 and Interstate Freeway I-84. Black Pine consists of 622 unpatented lode claims on Sawtooth National Forest and BLM ground, covering 11,981 acres (4,845 hectares ("**ha**")). A State of Idaho minerals lease covers a further 642 acres/260 ha for a total of 12,749 acres/5,159 ha. Black Pine hosts a large, Carlin-style, sedimentary rock-hosted gold system, the surface footprint of which extends over an approximately 14 km$^2$ target area. The main gold zone encompassing the historic Black Pine mine is not subject to seasonal drilling closures.

The Company recovered a large historical digital database, largely subsequent to its purchase, that includes drill data for 1,874 holes (191,500 m of drilling), as well as-mined topography, blast hole and other mining data, and 4,950 rock and soil samples. The drill hole database includes collar and survey data, fire assay gold, acid-soluble gold and silver, rock type and alteration, and includes a large number of historic drill holes with unmined gold intercepts.

*Black Pine Resource*

The maiden resource estimate, effective May 21, 2021, and dated July 13, 2021, comprises a combination of shallow historic and Liberty Gold drilling through to the end of 2020, in 2,149 tightly spaced drill holes, representing 263,852 metres of drilling. The resource estimate is shown in the cut-off grade sensitivity table below. The resource is reported at a 0.2 g/t Au cut-off. Of note is that 82% of the resource is indicated and only 18% is inferred. The sensitivity table shows that, at successively higher cut-off grades, significant subsets of the resource remain at high average grades.

| Black Pine Project Pit-Constrained Classified Mineral Resource and Cut-Off Grade Sensitivity Table | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Cut-off | Indicated | | | | Inferred | | | |
| Au, g/t | Tonnes | Au Grade (g/t) | Ounces Au | Ind % of Total | Tonnes | Au Grade (g/t) | Ounces Au | Inf % of Total |
| ***0.20*** | ***105,075,000*** | ***0.51*** | ***1,715,000*** | 82 | ***31,211,000*** | ***0.37*** | ***370,000*** | 18 |
| 0.25 | 74,313,000 | 0.63 | 1,495,000 | 84 | 19,352,000 | 0.46 | 286,000 | 16 |
| 0.30 | 57,081,000 | 0.73 | 1,345,000 | 86 | 10,970,000 | 0.60 | 211,000 | 14 |
| 0.50 | 30,520,000 | 1.04 | 1,020,000 | 88 | 4,440,000 | 0.94 | 134,000 | 12 |
| 0.70 | 18,540,000 | 1.33 | 792,000 | 89 | 2,539,000 | 1.20 | 98,000 | 11 |
| 1.00 | 9,799,000 | 1.78 | 559,000 | 90 | 1,212,000 | 1.61 | 63,000 | 10 |
| 2.00 | 2,229,000 | 3.33 | 239,000 | 92 | 185,000 | 3.60 | 21,000 | 8 |

Notes:

- *Mineral resources that are not mineral reserves do not have demonstrated economic viability.*
- *Mineral resources are reported at a 0.2 g/t Au cut-off (**indicated in bold lettering and italics in the table**) in consideration of potential open-pit mining and heap-leach processing. The Black Pine Resource is constrained by a pit optimization.*
- *All other sensitivity cut-offs are applied to the in-pit Black Pine Resource and represent subsets of the Black Pine Resource.*

- *Rounding as required by reporting guidelines may result in apparent discrepancies between tonnes, grades, and contained gold content.*
- *The estimate of mineral resources may be materially affected by geology, environment, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.*
- *See additional resource estimate notes below.*

Approximately 74% of the resource ounces are located in the Discovery Zone, which amalgamates the high-grade oxide gold D-1, D-2 and D-3 discoveries into a single pit, with 26% of the resource located in seven additional satellite zones, as detailed in the table below:

| Black Pine Resource by Zone | | | | | |
|---|---|---|---|---|---|
| **Zone** | **Classification** | **Tonnes** | **g/t Au** | **oz Au** | **% Ind & Inf** |
| **Discovery Zone** | Indicated | 77,103,000 | 0.54 | 1,342,000 | 88 |
| | Inferred | 15,571,000 | 0.38 | 191,000 | 12 |
| **CD Zone** | Indicated | 15,054,000 | 0.38 | 182,000 | 94 |
| | Inferred | 1,177,000 | 0.32 | 12,000 | 6 |
| **Rangefront Zone** | Indicated | 4,181,000 | 0.40 | 53,000 | 68 |
| | Inferred | 2,334,000 | 0.34 | 25,000 | 32 |
| **E Zone** | Indicated | 4,074,000 | 0.41 | 54,000 | 74 |
| | Inferred | 1,901,000 | 0.31 | 19,000 | 26 |
| **J Zone** | Indicated | 2,175,000 | 0.47 | 33,000 | 77 |
| | Inferred | 935,000 | 0.34 | 10,000 | 23 |
| **Back Range Zone** | Indicated | 967,000 | 0.56 | 17,000 | 28 |
| | Inferred | 2,481,000 | 0.54 | 43,000 | 72 |
| **M Zone** | Indicated | 1,521,000 | 0.67 | 33,000 | 65 |
| | Inferred | 1,040,000 | 0.53 | 18,000 | 35 |
| **Leach Pad** | Indicated | - | - | - | 0 |
| | Inferred | 5,771,000 | 0.28 | 52,000 | 100 |
| ***Total Resource*** | ***Indicated*** | ***105,075,000*** | ***0.51*** | ***1,715,000*** | ***82*** |
| | ***Inferred*** | ***31,211,000*** | ***0.37*** | ***370,000*** | ***18*** |

***Black Pine Resource shown in bold italic***

*ESTIMATION METHODS*

*The resource estimate was completed by Michael Gustin, Senior Geologist, of MDA, a division of RESPEC. Mr. Gustin is an Independent Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**") in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. Estimation methods are summarized below.*

*The gold mineral resources at Black Pine were modeled and estimated by:*

- *developing a geological model, reflecting low-angle fault control of mineralization hosted in receptive carbonate host rocks;*
- *evaluating the drill data statistically;*
- *interpreting low-, medium-, and high-grade gold-domain polygons on sets of cross sections spaced at 30-metre intervals;*
- *projecting the sectional mineral-domain polygons three-dimensionally to the drill data within each sectional window, thereby creating three-dimensional polygons;*
- *slicing the three-dimensional mineral-domain polygons along 10-metre-spaced vertical planes oriented perpendicular to the cross sections, and using these slices to recreate and rectify the gold mineral-domain polygons on the long sections;*
- *coding a block model comprised of 10 x 10 x 5 (x, y, z) metre blocks to the domains using the long-sectional mineral-domain polygons;*
- *performing a geostatistical analysis of the modeled mineralization to aid in the establishment of estimation and classification parameters;*
- *interpolating gold grades into the model blocks using the mineral- domain coding to explicitly constrain the gold grade estimations; and*
- *evaluating the resulting model in detail prior to finalizing the mineral resource estimation.*

*The Black Pine Resource has been constrained to lie within optimized pit shells created using a gold price of USD $1,800/ounce of gold. Additional inputs for the pit-optimizations include: mining - $2.30/tonne mined, heap leaching - $2.59/tonne processed; and G&A cost of $0.80/tonne at an assumed 10 million tonnes per year processing rate. Gold recoveries are based on equations derived from metallurgical data and vary by grade and rock unit. A refining cost of $5/ounce and a 0.5% net smelter return royalty were also applied.*

*The Black Pine Resource is based on 1,848 historical reverse circulation holes and 26 diamond core holes, as well as 259 reverse circulation and 16 core holes drilled by Liberty Gold. The historical holes at Black Pine were primarily drilled from the mid 1980s to the late 1990s by Noranda Exploration Inc. ("**Noranda**") and Pegasus Gold Corp.*

*A technical report on the updated resource estimate will be prepared in accordance with NI 43-101 and filed within 45 days of this news release on Liberty Gold's issuer profile on SEDAR at www.sedar.com*

## Black Pine Metallurgy

Phase 1 large diameter metallurgical column tests were carried out in 2019 with the following results[14]:

[14] See details in press release dated June 16, 2020.

- Six column leach tests produced a weighted average 78.9% gold extraction with a range up to 92.8% gold extraction[15].
- Gold extraction was rapid, with >80% of the leachable gold extracted within the first 10 days of column leaching.

Phase 2 metallurgical column testing was carried out on PQ Core holes designed to sample a wide range of grades and rock types, primarily within the D-1 zone, with one hole in the D-2 zone and one testing historical drilling in Rangefront, highlights include[16]:

- Twenty-nine column leach tests produced a weighted average 82.9% gold extraction[13], with a range up to 94.5% gold extraction.
- Gold extraction was rapid, with >80% of the leachable gold extracted within the first 10 days of column leaching.
- Percent gold extraction is well-correlated with head grade, with the highest-grade composites returning the highest extraction numbers.

Phase 3 variability composite metallurgical column testing from PQ Core holes was completed to expand the geographical and ore type distribution of phase 1 and phase 2 column testing. Highlights include:

- Aggregate results support a simple, low capital, low operating cost, ROM heap leach processing route for Black Pine ores.
- Gold extractions are consistent with previous metallurgical programs, with >80% of the leachable gold extracted within 10 days, final column leach gold extractions ranging up to 94.8%, and extraction well correlated with head grade.

Phase 4 low-grade mineralization (<0.2g/t Au) metallurgical column testing on 15 composites from PQ Core samples commenced in Q3, 2021. Results are expected in Q2, 2022.

A phase 5 metallurgical test program commenced in Q4 2021 with the start of PQ Core drilling in an area of shallow gold mineralization lying along the range front north of the historical heap leach pad (the “M Zone”), Rangefront, and selected parts of the Discovery Zone. Column leaching is expected to commence in late Q2/early Q3 2022.

*<u>Black Pine Exploration Expenditure</u>*

Exploration expenditures at Black Pine during the 12 months ended December 31, 2021, including non-cash items, totalled $15.67 million, including: drilling expenditures ($7.62 million), wages and salaries ($2.35 million), and other additional expenditures including road preparation, property costs, field costs and administration ($5.70 million). Total cash expenditures of $15.13 million were in excess of the $14.62 million budget for the year, due mainly to road preparation costs being higher than budgeted due to additional requirements for dust management, and increased drilling unit rate costs.

***Goldstrike (100% owner or controlled, and operator)***

Goldstrike is an oxidized, Carlin-style, sedimentary rock-hosted gold system located in Washington County, southwest Utah (50 km northwest of St. George), with a stratigraphic and structural setting and gold mineralization similar to other sedimentary rock-hosted gold systems in the Great Basin. Historical exploration and mining at Goldstrike culminated with the operation of the Goldstrike mine, which from 1988 to 1996 produced gold by heap-leach recovery from 12 open-pits. Historical mining records document a total of approximately 210,000 ounces of gold and 198,000 ounces of silver recovered from approximately 6.9 million tons of ore. The database includes historical exploration and mining records, including a large number of shallow drill holes with unmined oxide gold intercepts, and numerous untested gold targets. The Goldstrike project consists of 749 owned unpatented claims (lode and placer), 99 leased unpatented claims, 633 acres of leased patented claims, 160 acres of leased private land, and 926 acres of leased State land, covering a total of 17,776 acres (7,194 ha).

[15] Weighted average gold extraction is obtained using the following equation: (composite head grade (grams/tonnes) multiplied by extraction (%) for all head grades)/sum of all head grades. Using arithmetic averages tends to over-represent low grade composites and under-represent high grade composites. The arithmetic average of the six column tests is 78.0%.
[16] See details in press release dated August 18, 2020.

*Goldstrike Resource*

In February 2018, the Company published a maiden mineral resource estimate (the "**Goldstrike Resource**")[17] based on drill results through the end of 2017 covering portions of the Main, Dip Slope, Peg Leg and Western zones. The Goldstrike Resource estimate was subsequently restated to reflect a cut-off grade of 0.20 g/t Au (compared to 0.25 g/t Au) as a result of economic considerations discussed in the Goldstrike preliminary economic assessment (the "**Goldstrike PEA**"); and presently consists of: an indicated mineral resource of 925,000 ounces of gold at an average grade of 0.50 g/t Au (57,846,000 tonnes); and an inferred mineral resource of 296,000 ounces of gold at an average grade of 0.47 g/t Au (19,603,000 tonnes)[18]. The effective date for the data used in the resource estimate is February 8, 2018.

*Goldstrike Preliminary Economic Assessment*

A preliminary economic assessment at Goldstrike was published on July 10, 2018, providing a strong, base-case economic scenario upon which to expand the scope and scale of Goldstrike with ongoing drilling. The Goldstrike PEA confirms the potential for a modest capital intensity, low operating cost, open-pit, run-of-mine, heap-leach operation, with a 7.5-year mine life and highly attractive economics.

The Goldstrike PEA was prepared by SRK Consulting (Canada) Inc., of Vancouver, British Columbia, Golder Associates Inc. of Reno, Nevada, Kappes Cassiday and Associates of Reno, Nevada, Advantage Geoservices of Osoyoos, British Columbia and GL Simmons Consulting LLC of Larkspur, Colorado.

The Goldstrike PEA is preliminary in nature and includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that Goldstrike PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Important project metrics are presented in the following tables:

| | |
|---|---|
| Assumptions | |
| Gold Price | $1,300/oz |
| Production Profile | |
| Total Tonnes of Mineralized Material Mined and Processed | 59.3 million tonnes |
| Total Tonnes Waste Mined | 70.6 million tonnes |
| Head Grade | 0.48 grams per tonne ("**g/t**") |
| Mine Life | 7.5 years |
| Tonnes per Day Mineralized Material Mined | 22,500 tonnes per day |
| Strip Ratio (Waste: Mineralized Material) | 1.2:1 |
| Average Gold Recovery | 78% |
| Total Gold Ounces Mined | 915,516 troy ounces ("**oz**") |
| Total Gold Ounces Recovered | 713,000 oz |
| Average Annual Gold Production | 95,000 oz |
| Peak Annual Gold Production | 117,855 oz |
| Unit Operating Costs | |
| Life of Mine ("**LOM**") Average Cash Cost[1] | $642/oz |
| LOM Average Adjusted Cash Cost[2] | $675/oz |
| LOM Cash Cost plus All-in Sustaining Cost ("**AISC**")[3] | $793/oz |
| Project Economics | |
| Royalties (estimate; royalties differ slightly by location and gold price) | 2.50% |
| Pre-tax net present value ("NPV")$_{5\%}$ / After-Tax NPV$_{5\%}$ | $176.2 million/$129.5 million |
| Pre-tax internal rate of return ("**IRR**")/ After-Tax IRR | 34.8%/29.4% |
| Undiscounted Operating Pre-Tax Cash Flow/After-Tax Cash Flow | $259.3 million/$195.5 million |
| After-Tax Payback Period | 2.3 years |

*[1]Includes mining cost, mine-level G&A, leaching and refining cost; [2]Includes the above plus royalties; [3]Includes the above plus sustaining and closure costs.*

[17] See the "Independent Technical Report and Resource Estimate for the Goldstrike Project, Washington County, Utah, USA" effective February 8, 2018, and signed March 21, 2018, authored by independent qualified persons David Rowe, CPG, of SRK Consulting (Canada) Inc., James N. Gray, P.Geo, of Advantage Geoservices and Gary Simmons, MMSA of GL Simmons Consulting LLC, and is in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. The report is available under the Company's profile at www.sedar.com and is also available on the Company's website at www.libertygold.ca.

[18] See the "Preliminary Economic Assessment and Independent Technical Report for the Goldstrike Project, Washington County, Utah USA", effective February 8, 2018, and dated July 16, 2018 co-authored by Independent Qualified Persons Bob McCarthy, P.Eng. Valerie Sawyer, SME, David Rowe, CPG and Neil Winkelmann, FAusIMM of SRK Consulting (Canada) Inc.; Gary Simmons, MMSA of GL Simmons Consulting, LLC; James N. Gray, P.Geo. of Advantage Geoservices Ltd; George Lightwood, SME, Russell Browne, P.E. and Michael Bidart, P.E. of Golder Associates Inc. The report is available under the Company's profile at www.sedar.com and is also available on the Company' s website at www.libertygold.ca

| Capital Requirements | Initial | LOM |
|---|---|---|
| Mining Capital | $23.50 million | $61.30 million |
| Total Infrastructure Capital | $31.40 million | $35.10 million |
| Total Processing Capital | $48.30 million | $68.40 million |
| Closure Costs | - | $20.00 million |
| Owners Costs | $10.00 million | $10.00 million |
| **Total Capital Costs** | **$113.20** million | **$194.80** million |

The Goldstrike PEA utilizes open pit mining with mine planning based on economic pit shells generated by mine planning software. Mine production is planned at 22,500 tonnes per day or 8.2 million tonnes per year of leach feed (mineralized) material. With an average waste to leach feed material strip ratio of 1.2 to 1, the average mining rate is approximately 50,000 tonnes per day of leach feed and waste material. The open pit mining at Goldstrike was designed utilizing an owner-operated, conventional mine fleet of front-end loaders and trucks.

*Goldstrike PEA Sensitivities*

The Goldstrike PEA examines the effect on $NPV_{5\%}$ of up to a 40% increase or decrease in capital and operating expenditures. $NPV_{5\%}$ is strongly influenced by the price of gold. The following tables show the effect of gold price on the IRR and NPV. The base case is shaded grey. At $1,700 /oz gold price the Goldstrike PEA outlines robust economics demonstrating a 52.4% post-tax IRR and an $NPV_{5\%}$ or $291.7 million.

| Post-tax IRR in % | | Gold Price/oz | | | | |
|---|---|---|---|---|---|---|
| | | $900 | $1,100 | $1,300 | $1,500 | $1,700 |
| Operating Cost | -40.0% | 19.5% | 32.9% | 44.5% | 55.2% | 64.9% |
| | -20.0% | 9.2% | 24.6% | 37.3% | 48.5% | 58.9% |
| | 0.0% | -3.7% | 15.2% | **29.4%** | **41.5%** | **52.4%** |
| | 20.0% | N/A | 3.8% | 20.7% | 34.0% | 45.6% |
| | 40.0% | N/A | -13.3% | 10.5% | 25.8% | 38.3% |

| Base Case NPV5% of $129.5M | | Gold Price/oz | | | | |
|---|---|---|---|---|---|---|
| | | $900 | $1,100 | $1,300 | $1,500 | $1,700 |
| Capital Costs | -40.0% | $21.4 | $102.6 | $183.7 | $264.7 | $344.8 |
| | -20.0% | ($6.5) | $75.5 | $156.6 | $237.7 | $318.7 |
| | 0.0% | ($35.2) | $48.1 | **$129.5** | $210.6 | **$291.7** |
| | 20.0% | ($67.7) | $20.4 | $102.3 | $183.5 | $264.6 |
| | 40.0% | ($101.4) | ($7.8) | $74.8 | $156.4 | $237.5 |

*Project Enhancement Opportunities*

The Goldstrike PEA demonstrates the potential economic viability of Goldstrike. The Goldstrike PEA also outlines a number of opportunities for project enhancement, including additions to the resource base, consideration of the silver endowment, and optimization of the mine plan. The underlying resource estimate on which the Goldstrike PEA was based, excludes the impact of additional drilling completed in 2018 – 2021.

*Goldstrike Metallurgy*

Phase 2 metallurgical drilling and column testing provided additional support for a simple ROM heap leach mining scenario. Gold extractions from 29 column tests from holes drilled in the western and northern portions of the deposit were rapid and >80% of the leachable gold was extracted within 10 days, with final column leach gold extractions ranging up to 95%. The phase 2 metallurgical testing brings the total number of oxide column tests for Goldstrike to 49. A phase 3 metallurgical test program is underway.

*Goldstrike Exploration Expenditures*

For the year ended December 31, 2021, cash expenditures at Goldstrike of $2.39 million were lower than the $3.06 million budgeted due mainly to a lower average cost per foot drilled than anticipated.

***TV Tower (64.4% owner and operator)***

The 9,065 ha TV Tower gold-silver-copper property is located in northwestern Turkey. Our interest in TV Tower is held through a 64.4% shareholding in Orta Truva Madencilik Sanayi ve Ticaret Anonim Şirketi ("**Orta Truva**"), the legal entity that holds title to the licences that comprise TV Tower. Teck Madencilik Sanayi Ticaret A.Ş. ("**TMST**"), a subsidiary of Teck Resources Limited, is our joint venture partner at TV Tower and holds the remaining 35.6% of Orta Truva.

The TV Tower Property is divided into South ("**South TVT**") and North ("**North TVT**") resource areas. The South TVT resource area contains four geographically separate deposits (Kayalı and Yumrudağ oxide gold deposits and Hilltop and Valley Au-Cu porphyry deposits), all located within a 4 $km^2$ area.

*TV Tower Resource*

A maiden resource estimate for five gold and copper deposits was announced on April 6, 2021, see further details in the technical report titled "Updated Technical Report and Resource Estimate TV Tower Property Canakkale, Western Turkey", effective February 9, 2021 and dated May 18, 2021 (the "**TV Tower Technical Report**")[19], available at www.sedar.com under Liberty Gold's profile and on Liberty Gold's website.

The North TVT resource area, located approximately 7 km north of the South TVT resource area, hosts two deposits: the Columbaz Au-Cu porphyry and the Küçükdağ high sulphidation epithermal Au-Ag-Cu deposit ("**North TVT KCD**"). The former is comprised of two resource zones based on mineralogy and anticipated milling technique: North TVT Au-Cu Porphyry and North TVT Oxidized Porphyry. North TVT KCD was the subject of a 2014 resource estimate that is still current. All deposits are open for extension laterally and to depth.

The following table shows a summary of the resource:

| Deposit | Indicated Resource | Tonnes | Grade | | | | Metal Content | | | | Cut-off grade |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Au | Ag | Cu | AuEq[2] | Au | Ag | Cu | AuEq[2] | |
| | | x10⁶ | g/t | g/t | % | g/t | oz | oz | lb | oz | |
| All south TVT deposits | All mineralization types | 59.19 | 0.28 | - | 0.17 | - | 540 | - | 218,393 | 1,084 | |
| Kayalı, Yumrudağ, Hilltop | South TVT oxide gold | 20.35 | 0.42 | - | - | 0.42 | 276 | - | - | 276 | 0.2 g/t Au |
| Kayalı | South TVT supergene copper | 2.99 | - | - | 0.41 | - | - | - | 27,151 | - | 0.2% Cu |
| Hilltop, Yumrudağ, Valley | South TVT Au-Cu porphyry | 35.85 | 0.23 | - | 0.24 | 0.7 | 264 | - | 191,242 | 808 | 0.4 g/t AuEq[2] |
| All North TVT KCD[1] | All mineralization types | 23.1 | 0.63 | 27.6 | 0.16 | 1.34 | 470 | 20,500 | 78,900 | 996 | 0.5 g/t AuEq[3] |
| Deposit | Inferred Resource | Tonnes | Grade | | | | Metal Content | | | | Cut-off grade |
| | | | Au | Ag | Cu | AuEq[2] | Au | Ag | Cu | AuEq[2] | |
| | | x10⁶ | g/t | g/t | % | g/t | oz | oz | lb | oz | |
| All south TVT deposits | All mineralization types | 104.45 | 0.23 | - | 0.16 | - | 761 | - | 359,589 | 1,475 | |
| Kayalı, Yumrudağ, Hilltop | South TVT oxide gold | 42.48 | 0.37 | - | - | 0.37 | 501 | - | - | 501 | 0.2 g/t Au |
| Kayalı | South TVT supergene copper | 12.65 | - | - | 0.39 | - | - | - | 108,652 | - | 0.2% Cu |
| Hilltop, Yumrudağ, Valley | South TVT Au-Cu porphyry | 49.32 | 0.16 | - | 0.23 | 0.61 | 260 | - | 250,937 | 974 | 0.4 g/t AuEq[2] |
| All north TVT KCD | All mineralization types | 35.53 | 0.36 | - | 0.12 | - | 409 | - | 93,153 | 674 | |
| Columbaz | North TVT oxidized porphyry | 3.38 | 0.36 | - | - | 0.36 | 39 | - | - | 39 | 0.2 g/t Au |
| Columbaz | North TVT Au-Cu porphyry | 32.15 | 0.36 | - | 0.13 | 0.61 | 370 | - | 93,153 | 635 | 0.4 g/t AuEq[2] |
| All North TVT KCD[4] | All mineralization types | 10.77 | 0.15 | 45.7 | 0.06 | 1.01 | 53 | 15,800 | 14,900 | 351 | 0.5 g/t AuEq[3] |

[1]Current mineral resource estimate in 2014; details provided in the "Independent Technical Report for the TV Tower Exploration Property, Çanakkale, Western Turkey", effective January 21, 2014 and dated February 27, 2014 (the " **2014 TV Tower Technical Report**") filed under Liberty Gold's profile on www.sedar.com

[2]Gold equivalent ("**AuEq**") for 2021 resource calculated using the following equation: Au in g/t + Cu % / 0.6686 x 1.338. The gold equivalent formula was based on the following parameters: Cu price $3.40/lb, Au $1600/oz, Cu recovery: 87%, Au recovery: 65%.

[3]AuEq calculated in 2014 using a ratio of Au:Ag of $1200:$20 at 75% recovery and Cu at $3.00/lb at 70% recovery.

The North TVT KCD mineral resource estimate was completed in 2014 and remains current by inclusion in the revised TV Tower Technical Report.

*The resource estimate (other than that included in the 2014 TV Tower Technical Report) was completed by Mr. Mehmet Ali Akbaba, P. Geo., AIPG, an Independent Qualified Person as defined by NI 43-101, in accordance with the CIM Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. Estimation methods are summarized below. Further details of the estimation methods and procedures will be available in the TV Tower Technical Report, authored by DAMA Mühendislik A.Ş. ("**DAMA**"), has an effective date of February 9, 2021, and which will be available on SEDAR (www.sedar.com) and on Liberty Gold's website prior to May 21, 2021.*

*The resource estimate is based on results from 30,055.2 m of drilling in 122 drill holes (113 core and nine reverse circulation) for the deposits (i.e., Hilltop, Yumrudağ, Valley and Kayalı) in South TVT and 8,353.1 m of drilling in 11 drill holes for Columbaz.*

*Quality-control data generated for the various drill programs were independently verified by DAMA as part of the project review. The resource model consists of a detailed three-dimensional geological model including lithological and grade domains. These, in turn, were used to constrain the interpolation of gold and copper grades. Block grades were estimated by ordinary kriging.*

*Blocks sizes are 10 x 10 x 5 m for South TV T deposits and 20 x 20 x10 m for North TVT (Columbaz) deposits. In the South TVT database, a total of 9,981 individual assay intervals averaging 1.47 m in length were composited into a total of 7,753 composite intervals of 2.00 m length, while a total of 2,771*

[19] See news release dated May 18, 2021

*individual assay intervals with an average length of 1.42 m in the Columbaz deposit at the North TVT sector were composited into a total of 1,978 composite intervals of 2.00 m length.*

*Gold and copper assay data were reviewed statistically to determine appropriate grade capping levels by domain. A total of 95 gold assays and 51 copper assays in the South TVT database and a total of 14 gold assays in the North TVT database were capped prior to compositing.*

*All North TVT mineralization (i.e., Columbaz) within the pit shell was classified as Inferred. For South TVT, mineral resources estimated with a minimum of two holes and 4 composites within 50 m were classified as Indicated, while all other above cut-off material within the pit shell was classified as Inferred.*

*The mineral resources are confined within a micromine pit shell generated by DAMA to ensure reasonable prospects of economic extraction. The pit shell was based on the following parameters: Au: $1,600/oz; Cu: $3.40/lb; Mining cost $1.00/t; processing and G &A (oxide) $5.00/t; processing and G&A $12.35 (sulphide); Recovery: Au (oxide) = 91%; Cu(oxide) = 76%; Au(sulphide) = 65%; Cu (sulphide and supergene) = 87%; Overall pit slope: 50°. Tonnage estimates are based on 1,878 density measurements from the TV Tower South and 642 density measurements from the TV Tower North, which were used to assign average values to lithologic domains of the block model.*

*TV Tower Exploration Expenditures*

Expenditures at TV Tower for the year ended December 31, 2021, of $0.54 million were lower than the budget for the same period of $0.61 million due primarily to the timing of property and permitting expenditures.

***Other Projects:***

***Kinsley (79.99% owner and operator) – Under Option***

As at December 31, 2021, Liberty Gold's interest in Kinsley was approximately 79.99%. Intor Resources Corporation ("**Intor**") held the remaining 20.01% interest. On June 2, 2020, we received the first of staged payments pursuant to the purchase-option agreement to sell 100% of the Company's share of Kinsley to New Placer Dome Gold Corp. (formerly Barrian Mining Corp.) ("**New Placer Dome**") signed December 2, 2019 and subsequently amended on May 1, 2020 and November 5, 2021 (as amended, the "**Kinsley Option Agreement**"). The consideration is to be paid in three stages as follows (the "**Kinsley Transaction**"):

- $1.25 million plus 8,844,124 common shares in New Placer Dome ("**NPD Shares**") (subject to a contractual 12 month hold period), totalling 9.9% of issued and outstanding NPD Shares (received on June 2, 2020).
- $1.25 million in cash and $1.25 million in value of NPD Shares (subject to a 12 month hold period) (received in November 2021),
- $1.25 million in cash and $1.25 million in value of NPD Shares on or before June 2, 2022 (subject to a 4-month statutory hold period), and
- a 1% net smelter royalty ("**NSR**") on the acquired interest in Kinsley, of which up to one-half percent (0.5%) can be repurchased by New Placer Dome for $0.5 million.

On March 8, 2022, New Placer Dome announced that it had entered into a definitive agreement for a business combination with Copaur Minerals Inc. (TSX-V: CPAU) ("**Copaur**") (the "**Copaur Agreement**"). The Copaur Agreement has no impact on the terms of the Kinsley Option Agreement. NPD Shares held by Liberty Gold will convert to common shares in Copaur after the close of the business combination pursuant to the terms of the Copaur Agreement.

***Halilağa (40% owner, non-operator) - Sold.***

On August 12, 2020, the Company closed the sale of its interest in the Halilağa porphyry copper gold deposit in Turkey[20] to Cengiz Holdings A.Ş. ("**Cengiz**") pursuant to a definitive agreement signed on July 12, 2019 (the "**Halilağa Agreement**'). The Company's interest in Halilağa was held through a 40% shareholding in Truva Bakır Maden İşletmeleri A.Ş. ("**Truva Bakır**"). TMST held the remaining 60% of this Turkish entity. Pursuant to the terms of the Halilağa Agreement, the Company and TMST agreed to jointly sell their 100% interest in Truva Bakır to Cengiz for $55 million cash, to be paid in stages over a two-year period and apportioned pro-rata to their ownership interests. The Company will receive a total of $22 million in accordance with its 40% interest. As at the date of this MD&A, the Company has received $16 million and is expected to receive the final $6 million in the form of a guaranteed staged payment on August 15, 2022 (the "**Halilağa Staged Payment**").

*The Company has delineated mineral resources at each of Black Pine, Goldstrike, and TV Tower. The Company's other targets on its property interests are at an earlier stage and do not contain any mineral resource estimates as defined by NI 43-101. With the exception of those deposits already delineated, the potential quantities and grades disclosed in this MD&A are conceptual in nature, and there has been insufficient exploration to define a mineral resource estimate for other targets disclosed herein. It is uncertain if further exploration will result in these targets being delineated as a mineral resource. Additional information about Goldstrike and Black Pine and our other projects is also summarized in our AIF and the respective Technical Reports (as defined herein) and can be viewed under the Company's issuer profile on SEDAR at www.sedar.com.*

[20] See press release dated July 12, 2019, and August 12, 2020

*Non-GAAP Measures and Other Financial Measures*

This MD&A presents certain forward looking financial performance measures, including AISC, cash cost and total cash cost that are not recognized measures under International Financial Reporting Standards ("**IFRS**"). This data may not be comparable to data presented by other issuers. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing comparisons between periods. Non-GAAP financial performance measures should be considered together with other data prepared in accordance with IFRS. This MD&A contains non-GAAP financial performance measure information for a project under development incorporating information that will vary over time as the project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-GAAP financial performance measures.

## SELECTED FINANCIAL INFORMATION

*Presentation*

Management is responsible for the financial statements referred to in this MD&A and provides officers' disclosure certifications filed with the Canadian provincial securities commissions. The Board approved the Annual Financial Statements and MD&A.

The Annual Financial Statements and the consolidated financial statements for the years ended December 31, 2020 and December 31, 2019 have been prepared using accounting policies in compliance with IFRS, as issued by the International Accounting Standards Board. Management has determined that Liberty Gold Corp. has a C$ functional currency because it, as the parent entity, raises its financing and incurs head office expenses in Canadian dollars. 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 our consolidated financial statements is USD.

The Company operates in one segment – the exploration and development of gold, copper, and other precious and base metals, and in three geographic locations: Canada, the USA, and Turkey. Information discussed herein reflects the Company as a consolidated entity, consistent with our determination that the segment in which we operate provides the most meaningful information.

**Results of Operations**

The following financial data (in $ millions, except per share amounts) are derived from our consolidated financial statements for the year ended December 31, 2021, and 2020 respectively:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| Total revenues | $nil | $nil | $nil |
| Net income (loss) for the year and attributable to shareholders | $(29.74) | $7.48 | $(11.58) |
| Basic and diluted income (loss) per share and attributable to shareholders | $(0.11) | $0.03 | $(0.05) |

***Year ended December 31, 2021, vs. year ended December 31, 2020***

Losses from for the year ended December 31, 2021 of $29.74 million were higher than the income of $7.48 million incurred in the comparative period primarily due to the $19.10 million net gain on the sale of Halilağa in the comparative year. Also attributable to the income recognised in 2020, was the sale of our 15% net profit interest ("NPI") in the Regent property in Regent Hill, Nevada ("**Regent**") and consideration received on the Griffon gold property located at the southern end of the Battle Mountain-Eureka Trend in Nevada ("**Griffon**") and the Baxter Spring gold project located in central Nevada ("**Baxter Spring**") purchase option agreements.

The higher loss from operations in the year ended December 31, 2021 of $25.67 million, compared to the same period in 2020 of $15.71 million, is due to increased exploration and evaluation expenditures, and stock based compensation expenditures in the year ended December 31, 2021 over the comparative period.

Net cash operating outflows of $20.94 million in the year ended December 31, 2021, were higher than the $14.13 million in the year ended December 31, 2020 primarily due to higher exploration and evaluation expenditures of $8.23 million, and partially offset by changes in working capital of $1.36 million.

*Exploration and evaluation expenditures*

Exploration and evaluation expenditures during the year ended December 31, 2021 totalled $18.91 million compared to $10.68 million during December 31, 2020. The increase primarily reflects expenditures at Black Pine and Goldstrike of $15.67 million and $2.74 million, respectively, over the comparative period ($9.20 million and $0.55 million respectively) due to larger exploration programs at each in 2021.

*Stock-based compensation*

In general, the expense reflects (i) the fair value of grants of employee stock options ("Options") to purchase common shares of the Company ("Common Shares") and Restricted Share Units ("RSUs") during prior periods, and (ii) the diminishing impact of Options and RSUs granted in prior periods as they vest. Stock-based compensation expense should be expected to vary from period to period depending on several factors, including whether Options, RSUs or Deferred Share Units ("DSUs") are granted in a period, and the timing of vesting or cancellation of such equity instruments.

Stock-based compensation for the year ended December 31, 2021, totalled $2.59 million (year ended December 31, 2020: $1.72 million). These amounts do not include values recorded as part of exploration and evaluation expenditures $0.98 million in the year ended December 31, 2021, and $0.43 million in the year ended December 31, 2020. The total expense is higher than in the comparative period, primarily due to the grant of 677,250 Options to Directors of the Company and 1,035,449 RSUs which vested immediately.

In determining the fair market value of stock-based compensation granted to employees and non-employees, management makes significant assumptions and estimates. These assumptions and estimates have an effect on the stock-based compensation expense recognized and on the contributed surplus balance on our statements of financial position. Management has made estimates of the life of the Options, the expected volatility, and the expected dividend yields that could materially affect the fair market value of this type of security. Estimates were chosen after reviewing the historical life of the Options and analyzing share price history to determine volatility.

*Wages and benefits*

Certain office and general expenditures incurred in Canada and wages and benefits relating to certain Canadian personnel are incurred on a cost-recovery basis through an administration and technical services agreement (the "**Oxygen Agreement**") with Oxygen Capital Corporation ("**Oxygen**"), a related party (see also in this MD&A, "*Related Party Transactions*").

Un-allocated wages and benefits for the year ended December 31, 2021, totalled $1.98 million which were higher than the comparative period in 2020 of $1.64 million due mainly to salary and staffing increases.

A significant portion of our remuneration costs are included in exploration expenditures based on the nature of the work undertaken in the period. Wages and benefits included under the heading of exploration expenditures totaled $2.92 million in the year ended December 31, 2021, as compared to $1.90 million in the comparative 2020 year. The increase in 2021 as compared to 2020 is due to the increase in staffing in the current period.

*Office and general*

In the year ended December 31, 2021, office and general costs were $0.40 million higher than in the same period in 2020 due mainly to increased travel costs as a result of the restrictions due to the COVID-19 pandemic in 2020, as well as executive recruitment costs for the new employees.

*Other income and expenses*

In the year ended December 31, 2021, the Company recorded other expenses (net) of $3.81 million, as compared to other income (net) of $22.99 in the year ended December 31, 2020. The greater loss of $26.80 million is primarily due to the following:

i) a $19.10 million gain recorded on the sale of our interest in Halilağa to Cengiz on August 12, 2020;
ii) a $1.37 million gain recorded on the sale of our 15% NPI interest in Regent to Ely Gold Royalties Inc. ("**Ely Gold**") in 2020;
iii) a $3.17 million gain recorded on the consideration received for the Baxter Spring option agreement in 2020 (the "**Baxter Spring Agreement**");
iv) a $4.49 million increase in the fair value loss on other financial assets recognised in the year ended December 31, 2021; and partially offset by,
v) a $0.50 million gain recorded on the consideration received in the year ended December 31, 2021 for the Baxter Spring Agreement and the option agreement for Griffon.

*Other comprehensive loss*

Net other comprehensive loss consists of the impact of exchange gains and losses from the translation of our operations with a non-USD functional currency.

The Canadian dollar depreciated 0.34% relative to the value of the USD in the period between January 1, 2021, and December 31, 2021 (during the same period in the comparative year it appreciated 2.2%). As a result, for the year ended December 31, 2021, foreign exchange gains of $0.15 million were recognized (year ended December 31, 2020: foreign exchange gains of $1.20 million). The impact from exchange differences will vary period to period depending on the rate of exchange.

**Financial Position**

The following financial data (in $ millions) are derived from our Annual Financial Statements as well as our consolidated financial statements as at December 31, 2020 and December 31, 2019:

| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
|---|---|---|---|
| Total assets | $53.33 | $60.39 | $42.11 |
| Current liabilities | $9.89 | $5.88 | $5.28 |
| Non-current financial liabilities | $0.44 | $0.27 | $0.39 |
| Cash dividends declared | $nil | $nil | $nil |

*Total assets*

The $7.06 million decrease in total assets as at December 31, 2021 compared to December 31, 2020 reflects the increases in cash expenditures including primarily: exploration and evaluation, wages and benefits, and office and general expenditures totaling $8.97 million in aggregate. Also contributing to the decrease, is a $2.87 million decrease in other financial assets as at December 31, 2021. Partially offset by an increase in cash received on the exercise of warrants and stock options of $7.49 million.

*Current liabilities*

Current liabilities include $6.91 million relating to the initial consideration pursuant to the Kinsley Option Agreement. The liability is a derivative recognising a deferral of the income received, until either the closing or termination of the Kinsley Option Agreement. Accounts payable increased by $0.90 million over the December 31, 2020 balance due to the timing of payments.

*Non-current financial liabilities*

At December 31, 2021, and December 31, 2020, our non-current liabilities include (i) liabilities recorded in recognition of a statutory obligation in Turkey to accrue for lump-sum termination payments for employees when their employment is terminated due to retirement or for reasons other than resignation or misconduct, and (ii) the non-current lease liability. The increase in non-current financial liabilities is primarily due to additions to the lease liability in the year ending December 31, 2021, partially offset by lease payments made.

*Shareholders' equity*

During the year ended December 31, 2021, 1,076,243 RSUs were converted into Common Shares on vesting. There were 104,948 DSUs granted during the period and 3,002,949 RSUs were granted during the period of which 1,035,449 vested immediately. 5,532,250 Options were granted and 6,025,468 Options with a weighted average exercise price of C$0.51 were exercised during the same period.

25,376,311 Warrants were exercised during the year ended December 31, 2021, at a weighted average exercise price of C$0.61.

Refer also to discussion in this MD&A under heading, "*Outstanding Share Data*". The Company has not declared any dividends since incorporation and does not expect this will change in the near future.

## SUMMARY OF QUARTERLY RESULTS

The following information (in thousands of $, except per share amounts) is prepared on a consistent basis with IFRS applicable to interim financial reporting including IAS 34 *Interim Financial Reporting*, and is derived from, and should be read in conjunction with, our Annual Financial Statements, and our consolidated financial statements for the year ended December 31, 2020, and the interim condensed consolidated financial statements for each of the quarters in 2021 and 2020.

**Condensed interim consolidated statements of loss and comprehensive income (loss):**

| (In 000's of dollars except per share amounts) | Dec 31 2021 | Sep 30 2021 | June 30 2021 | Mar 31 2021 | Dec 31 2020 | Sep 30 2020 | Jun 30 2020 | Mar 31 2020 |
|---|---|---|---|---|---|---|---|---|
| **Net income (loss) attributable to the shareholders:** | $ | $ | $ | $ | $ | $ | $ | $ |
| Net income (loss) for the period | (10,737) | (7,251) | (6,777) | (4,978) | (3,223) | 12,866 | (1,807) | (354) |
| Exchange differences on translating foreign operations | 128 | (777) | 532 | 270 | 1,375 | 520 | 411 | (1,109) |
| Basic and diluted income (loss) per share | (0.04) | (0.03) | (0.03) | (0.02) | (0.01) | 0.05 | (0.01) | (0.00) |

Exploration expenditures of $7.51 million, stock-based compensation expense of $0.98 million, and wages and benefits of $0.55 million were the largest contributors to the loss during the three months ended December 31, 2021. Exploration expenditures during the three months ended December 31, 2021 were primarily due to the Black Pine drill program, attributable to $6.13 million of the expenditures. Also contributing to the loss is a $0.32 million fair value loss recognised on the change in fair value of the Company's other financial assets.

Exploration expenditures of $5.95 million contributed to the loss during the three months ended September 30, 2021, of which, $3.93 million is attributable to increased exploration activities at Black Pine. Also contributing to the loss are the change in fair value of other financial assets resulting in losses of $0.68 million due to share price fluctuations of the Company's equity investments in exploration companies. Wages and benefits of $0.51 million in the three months ended September 30, 2021 were higher than the previous quarter primarily due to headcount increases.

The three months ended June 30, 2021, showed higher losses than in the previous quarter due to increased exploration and evaluation expenditures of $2.78 million, due to the exploration program not commencing until April, and the recognition of a gain on the sale of the exploration properties to Raindrop Ventures Inc. ("**Raindrop**") in the preceding quarter of $0.71 million. The higher losses were offset by a decreased loss recognised on the change in fair value of other financial assets of $0.78 million over the preceding quarter.

The three months ended March 31, 2021, showed higher losses due to the change in fair value of other financial assets resulting in losses of $2.18 million, lower consideration received on purchase-option agreements of $2.84 million compared to the $3.17 million gain recognised on the Baxter Spring Agreement in the previous quarter, partially offset by the $0.71 million gain recognised on the sale of the exploration properties to Raindrop. There were also lower exploration and evaluation expenditures of $2.12 million and decreased foreign exchange losses of $0.82 million, as compared to the previous quarter.

Exploration expenditures of $3.55 million, foreign exchange losses of $1.03 million, and wages and benefits of $0.66 million were the largest contributors to the loss during the three months ended December 31, 2020. Exploration expenditures during the three months ended December 31, 2020, were primarily due to the Black Pine drill program, attributable to $2.95 million of the expenditures. Also contributing to the loss, the Company recognized foreign exchange losses of $1.03 million as a result of the 4.9% weakening of the USD compared to the Canadian dollar in the three-month period ended December 31, 2020, as compared to the three-month period ended September 30, 2020. Other income (expenses) of $2.12 million during the three months ended December 31, 2020, was lower than the $17.18 million recognized in the comparative period, primarily due to the net gain on sale on the sale of the Company's interest in Halilağa of $19.10 million in the third quarter. The loss was partially offset by the $3.17 million gain recognized by the signing of the Baxter Spring Agreement property for which we received $0.25 million in cash and 14,986,890 common shares in Huntsman Exploration Inc. (TSXV:HMAN) ("Huntsman") equal to 19.5% of the issued and outstanding shares in Huntsman with a fair value of $2.92 million.

During the three months ended September 30, 2020, the largest contributor to net income was the net gain on the sale of the Company's interest in Halilağa of $19.10 million. This was partially offset by a higher loss from operations than in the previous quarter primarily due to increased exploration and evaluation expenditures of $0.83 million as a result of the Black Pine drill program, and a $1.83 million loss recognised on the change in fair value of other financial assets in the period, primarily due to the change in fair value of the NPD Shares and the common share purchase warrants of Ely Gold (the "**Ely Warrants**").

The three months ended June 30, 2020, showed higher losses than in the previous quarter primarily due to increased exploration and evaluation expenditures of $1.96 million as a result of the Black Pine drill program, and a $1.53 million decrease in other income due to consideration received on the sale of our 15% NPI on Regent in the prior quarter. This was partially offset by the change in fair value of other financial assets gain of $1.81 million primarily due to the change in fair value of the Ely Warrants.

During the three months ended March 31, 2020, exploration expenditures of $0.79 million, stock-based compensation of $0.67 million, wages and benefits of $0.35 million and office and general of $0.17 million were the largest contributors to the loss. In comparison to the previous quarter, the loss is offset by $1.53 million due to an increase in other income from consideration received on the sale of our 15% NPI on Regent for $0.80 million and the 2,000,000 Ely Warrants with a fair value of $0.59 million, and consideration received of $0.03 million and 2,500,000 common shares of Fremont Gold Ltd with a fair value of $0.13 million, partially offset by $0.02 million in selling costs.

## RELATED PARTY TRANSACTIONS

*Administration and Technical Services Agreement - Oxygen Capital Corporation*

In 2012, the Company entered into an administration and technical services agreement with Oxygen, a related party. Oxygen is a private company currently owned by three directors of the Company (Dr. Mark O'Dea, Mr. Donald McInnes, and Mr. Sean Tetzlaff) and enables the member companies to synergise the use of resources such as administrative services and staff with no markups. Dr. O'Dea, Mr. McInnes and Mr. Tetzlaff receive no additional remuneration resulting from this arrangement from Liberty Gold, other than their fees received as directors of the Company.

The following are the services Oxygen provides the Company, pursuant to the Oxygen Agreement, on a cost-recovery basis, which are invoiced and settled on a monthly basis:

- administrative services and staff on an as-needed basis, and
- access to, and the use of assets located in, office space leased by Oxygen.

Liberty Gold shares a head office with other private and public companies each of which has an arrangement with Oxygen. Oxygen allocates the costs of personnel (plus applicable benefits), assets and infrastructure to the various companies based upon the estimated pro-rata use by personnel on Company activities. Oxygen exists to consolidate employees and office infrastructure in one entity so that costs may be more efficiently allocated. Oxygen does not mark-up costs or charge a fee to the Company.

Employees of Oxygen providing services to the Company do so pursuant to a secondment agreement and take direction from the President & Chief Executive Officer and Chief Financial Officer of the Company. The Chief Financial Officer is an employee of Oxygen, whose salary and applicable benefits are paid by the Company under the same terms as other Oxygen personnel.

Transactions with Oxygen during the year ended December 31, 2021, totalled $0.65 million. As at December 31, 2021, the Company held an account payable to Oxygen of $0.05 million (paid subsequent to period end) and a deposit of $0.16 million with Oxygen for use against the final three months of service upon termination of the arrangement.

*Compensation of key management personnel*

Key management includes members of the Board, the President and Chief Executive Officer, Chief Operating Officer, VP Exploration & Geoscience, VP Business Development, Chief Financial Officer & Corporate Secretary, and the Turkish Country Manager.

The aggregate total compensation recognised in the financial statements, is shown below (in millions):

| | Year ended December 31, | |
|---|---|---|
| | **2021** | **2020** |
| Salaries, bonuses, and other short-term employee benefits | $1.30 | $1.26 |
| Share-based payments | $2.20 | $1.43 |
| **Total** | **$3.50** | **$2.69** |

## LIQUIDITY AND CAPITAL RESOURCES

The properties in which we currently have an interest are in the exploration and development stage. We have no revenue-producing operations and earn only minimal income through investment income on treasury, the proceeds from property option agreements, or as a result of the disposal of an exploration asset. Accordingly, we are dependent on external financing, including the proceeds of future equity issuances or debt financing, to fund our activities. Circumstances that could impair our ability to raise additional funds, or our ability to undertake transactions, are discussed in our AIF under the heading *Risk Factors*. There is no assurance that we will be able to raise the necessary funds through capital raisings in the future. In particular, the Company's access to capital and its liquidity will be impacted by global macroeconomic trends, fluctuating commodity prices and general investor sentiment for the mining and metals industry. There are no known restrictions on the ability of our subsidiaries to transfer or return funds to the parent company in Canada.

As at the date of this MD&A, the Company has approximately $34.74 million available in cash, cash equivalents, and short-term investments. With no debt, the Company's working capital balance as at the date of this MD&A is approximately $32.63 million. With the first option payments already received and future expected option payments from the Kinsley Transaction, and the $16 million already received from the sale of Halilağa, as well as the expected future receipt of the final staged payment pursuant to the Halilağa Agreement, the Company expects to have sufficient funds to meet its exploration expenditure commitments through to the end of 2022 and beyond. We have not declared any dividends and management does not expect this will change in the near future.

On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration, development, permitting activities, and committed administrative costs, to ensure that adequate levels of working capital are maintained. We believe that this approach, given the relative size of Liberty Gold, is reasonable. Management believes that available funds are sufficient for current planned operations for at least the next 12 months, assuming no other factors change and with appropriate liquidity management.

***Contractual Obligations***

*Mineral Properties and Capital Expenditures*

We have obligations in connection with certain of our mineral property interests that require either:

i) cash payments to be made to the government or underlying land or mineral interest owners; or

ii) minimum expenditure requirements in order to maintain our rights to such mineral interests.

Although most of our property obligations (including minimum annual expenditure requirements at Kinsley and on certain parcels of land at Goldstrike) are eliminated should we choose to no longer invest funds exploring the particular property, we have certain notable obligations:

*Kinsley and TV Tower*

Pursuant to the respective operating agreements and elections by members to participate or not in funding the 2021 Program and Budget for each project, the Company must incur its pro rata share of the approved budgets for Kinsley and TV Tower. Total approved budget for 2022 for TV Tower is $0.90 million, TMST has elected not to participate in the 2022 program and budget and the Company will contribute 100% of funding for the year. TMST's interests in TV Tower will be diluted commensurate with the Company's contribution to TV Tower.

Pursuant to the terms of the Kinsley Option Agreement, the Company has not budgeted expenditures at Kinsley for 2021 as under the terms of the Kinsley Option Agreement, New Placer Dome is expected to cover all minimum expenditures required in order to maintain the lease as described in the next section.

*Advance Royalty Payments & Minimum Annual Exploration Expenditures*

In accordance with certain underlying lease agreements, we are required to make advance royalty payments ("**ARPs**") to the underlying property owners of Kinsley of $0.20 million as well as meet minimum annual exploration expenditures. Aggregate ARPs will be credited against future NSR payments payable from production. Under the terms of the Kinsley Option Agreement, New Placer Dome will assume the Company's portion of the obligation to make lease payments.

The Company has the right to terminate the lease by giving thirty days advance notice and returning the Company's interest in Kinsley to the underlying holder of Kinsley, and therefore release the Company of any further commitment to pay ARPs or meet minimum exploration expenditures.

*Leases*

Total future minimum lease payments, for agreements outside the scope of IFRS 16 – Leases, as at December 31, 2021 are as follows:

| Year | |
|---|---|
| 2022 | $0.04 million |
| 2023+ | - |
| | **$0.04 million** |

*Surety Bonds*

The Company has an agreement with a third-party for its $3.87 million bond requirements in the United States for surety bonds of the same amount. The bonds are held in favour of the BLM and the USFS as financial support for environmental reclamation and exploration permitting. The surety bonds are secured by a $0.56 million deposit (as at the date of this MD&A) and are subject to fees competitively determined in the marketplace. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As specific requirements are met, the BLM and USFS as beneficiaries of the different instruments will return the instrument to the issuing entity. As these instruments are associated with ongoing and active exploration properties, they will remain outstanding until the earlier of the date that the Company has discharged its remediation obligations or determines to self-fund the underlying bonding obligations.

***Investments***

At the effective date of this MD&A, the market value of our portfolio of investment holdings, comprising equity securities in exploration companies, is $4.25 million.

### *Off Balance Sheet Arrangements*

The Company has no off-balance sheet arrangements other than those discussed under "Surety Bonds".

## LEGAL MATTERS

Liberty Gold is not currently and has not at any time during our most recently completed financial year, been a party to, nor has any of its property interests been the subject of, any material legal proceedings or regulatory actions.

## CRITICAL ACCOUNTING 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. Factors that could affect these estimates are discussed in our AIF, under the heading, "Risk Factors". 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 in the Annual Financial Statements.

*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 and associates, 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 value of the Company's carrying value of its exploration and evaluation assets, and assets held for sale. 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.

*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.

(iii) *Assets held for sale classification:* Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. The Company applies judgment in determining whether certain non-current assets meet the highly probable criteria at the reporting date. To assess whether a sale will be completed within one year from the date of classification, we have assessed a variety of considerations, including the receipt of required regulatory approvals, and the completion of financing by a potential buyer.

*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:* 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, 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.

The publication of a resource pursuant to NI 43-101, 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 directly impact when the Company defers its exploration and evaluation assets. 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 capitalised amount is written off in the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

(ii) *Fair value measurement on consideration towards the Kinsley Option Agreement:* The Company has applied estimates in determining the fair value of the derivative associated with the $6.91 million consideration received from New Placer Dome as consideration towards the Kinsley Option Agreement, and its classification as a financial instrument at fair value through profit and loss.

***Risks Associated with Financial Instruments***

We are exposed to varying degrees to a variety of financial instrument related risks. The Board provides oversight of our risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

*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. We manage our capital in order to meet short term business requirements, through preparation and management of detailed budgets, taking into account cash flows from operations, expected capital expenditures and our holdings of cash and cash equivalents. We may from time to time have to issue additional Common Shares to ensure there is sufficient capital to meet our long-term objectives. Our financial liabilities of trade payables and accrued liabilities are payable within a 90-day period and are expected to be funded from the available balance of cash and short-term investments.

*Market Risk*

The significant market risk to which we are exposed is foreign exchange risk. The results of our operations are exposed to currency fluctuations. To date, other than through transactions on our mineral properties, we have raised funds entirely in C$. The majority of our mineral property expenditures are incurred in USD. The fluctuation of the C$ in relation to the USD and Turkish Lira ("**TL**") will have an impact on Liberty Gold's financial results.

Further, although only a portion of our expenditures, including general and administrative costs are incurred in Canadian dollars, we record our assets located in Canada in C$. As our operating results and financial position are reported in the consolidated financial statements in USD, there may also be an impact to the value of Liberty Gold's assets, liabilities, and shareholders' equity as a result of the fluctuation of the C$ compared to the USD.

A 10% increase or decrease in the exchange rate of the USD relative to the C$ would result in a $1.32 million increase or decrease respectively in the Company's cash and short-term investment balance as at December 31, 2021. Although our exposure relating to operating activity in Turkey from fluctuations of the TL remains minimal given the nature, type, and currency of expenditure (USD), recent volatility in that currency relative to the USD has increased the potential for an impact on the Company's cash and short-term investment balances. We have not entered into any derivative contracts to manage foreign exchange risk at this time.

*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.

a) 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 Turkey. Credit risk is mitigated on these financial instruments in accordance with the Company's investment policy.

b) The credit risk exposure to the Halilağa Staged Payment, is mitigated through the bank guarantees by T.C. Ziraat Bankasi A.Ş. ("Ziraat Bank"). Ziraat Bank is rated a B2 by Moody's Corporation.

*Interest Rate Risk*

We are subject to interest rate risk with respect to our investments in cash and cash equivalents. 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 by diversifying investments with a number of different highly rated financial institutions. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned.

*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. The carrying value of the Halilağa Receivables were initially recognised at fair value; there have been no significant changes in the underlying credit risk of the Halilağa Receivables or their fair value since recognition.

## OUTSTANDING SHARE DATA

There were 287,969,915 Common Shares issued and outstanding as at December 31, 2021, and 315,823,674 Common Shares and nil Warrants issued and outstanding as at the date of this MD&A.

As at December 31 2021, there were 16,826,448 Options outstanding that were issued to directors, officers, employees, and key consultants of the Company, of which 9,619,791 are exercisable. As at the date of this MD&A, there are 18,279,652 Options outstanding, of which 11,082,995 are exercisable.

As at December 31, 2021, there were 4,502,745 RSUs outstanding that were issued pursuant to the Company's RSU plan, of which 1,816,921 had vested and were payable. As at the date of this MD&A, there are 4,383,652 RSUs outstanding, of which 1,697,828 are vested and are payable.

As at December 31, 2021, there were 2,238,934 DSUs outstanding and as at the date of this MD&A there were 2,270,520 DSUs outstanding, pursuant to the Company's DSU plan.

## PROPOSED TRANSACTIONS

As is typical of the mineral exploration and development industry, we are continually reviewing potential merger, acquisition, investment, divestiture and joint venture transactions and opportunities that could enhance shareholder value. We are also continually reviewing and discussing opportunities with third parties regarding the sale of non-strategic properties in our portfolio. There is no guarantee that any contemplated transaction will be concluded.

With the exception of the Kinsley Transaction and continuing discussions with Teck and various third parties to unlock the value and potential of our remaining Turkish business, there are no proposed asset or business acquisitions or dispositions before the Board for consideration. While we remain focused on our plans to continue exploration and development on our material properties, should we enter into agreements in the future on new properties, we may be required to make cash payments and complete work expenditure commitments under those agreements.

## INDUSTRY AND ECONOMIC FACTORS THAT MAY AFFECT OUR BUSINESS

Economic and industry risk factors that may affect our business, in particular those that could affect our liquidity and capital resources, are as described under the heading "Risk Factors" in our AIF, available on the Company's SEDAR profile at www.sedar.com. In particular, there are currently significant uncertainties in capital markets impacting the availability of equity financing for the purposes of mineral exploration and development. There are also significant uncertainties relating to the global economy, economy (including due to the recent outbreak of the novel coronavirus (COVID-19), political uncertainties and increasing geopolitical risk, increased volatility in the prices of gold, copper, other precious and base metals and other minerals, as well as increasing volatility in the foreign currency exchange markets which impact our business and may impact our ability to remain a going concern.

On March 11, 2020, the World Health Organization ("**WHO**") assessed COVID-19 as a pandemic. This assessment by the WHO was not unexpected given the virus had been circulating in various parts of the world. The effect of COVID-19 and the actions recommended to combat the virus continue to change constantly.

The impact that COVID-19 has had on the Company's operations, including its exploration activities, has so far been limited and restrictions are beginning to lift across the world, but as variants present themselves and regulations adapt to the impact of these variants, this impact could change. Overall, the key risks related to exploration activities relate to (a) availability of assay services; (b) the procurement of goods and potential supply chain issues; (c) permitting delays;

and (d) impact to both site-based personnel and head office personnel. Assay labs have had long backlogs due to closures and staff distancing in laboratories, which continue to impact timelines.

Site activities have been and may be affected by government mandated travel restrictions, restrictions on personnel working in close proximity and possible quarantine requirements if re-instated.

Obtaining necessary permits and other government and regulatory documents has been subject to delays due to offices being manned part time and delays with the postal and courier services due to increased demand.

In addition, the actual and threatened spread of COVID-19 globally could continue to negatively impact stock markets, including the trading price of the Company's Common Shares, and could adversely impact the Company's ability to raise capital. Any of these developments, and others, could have a material adverse effect on the Company's business.

In addition, while the ongoing volatility in the price of gold and copper and continued uncertainties in capital markets do not have a direct impact on the Company's ability to carry out exploration, the Company may be impacted should it become more difficult to gain access to capital (e.g., debt or equity financing for the purposes of mineral exploration and development) when and if needed and may need to modify or curtail its exploration and development programs. Difficulty in accessing capital on favourable terms may limit the Company's ability to develop and/or further explore the mineral properties in which we have an interest and may limit our ability to meet capital calls with respect to our associates.

The specific risks noted in our AIF and others in particular relating to permitting for operations, may limit the Company's ability to develop and/or further explore its mineral property interests and may limit the ability of the Company to satisfy expenditure requirements on our material projects.

In addition, rising global political tensions due to recent events in eastern Europe, could lead to supply chain issues and increased costs which may have an adverse impact on the Company's ability to maintain is planned exploration and development programs.

## OTHER RISKS AND UNCERTAINTIES

The Company's operations are subject to a number of risks and other uncertainties, including risks related to the Company's foreign operations, government, environmental and other regulations and operating costs. Occurrence of various factors and uncertainties of risk cannot be accurately predicted and could cause actual results to differ significantly from our current expectations and result in a material adverse effect on the Company's operations, liquidity, or ultimate profitability. A comprehensive discussion of these risks and uncertainties are set out in our AIF. The reader is directed to carefully review this discussion for a proper understanding of these risks and uncertainties.

## CONTROLS AND PROCEDURES

### *Internal Controls over Financial Reporting*

Management is responsible for the design of Liberty Gold's internal controls over financial reporting ("**ICFR**") as required by National Instrument 52-109–*Certification of Disclosure in Issuers' Annual and Interim Filings*. ICFR is intended to provide reasonable assurance regarding the preparation and presentation of material financial information for external purposes in accordance with applicable generally accepted accounting principles. Internal control systems, no matter how well designed, have inherent limitations.

Liberty Gold's officers certify the design of Liberty Gold's ICFR using the Internal Control – Integrated Framework (2013) issued by The Committee for Sponsoring Organizations of the Treadway Commission. Based on a review of its internal control procedures at the end of the period covered by this MD&A, Liberty Gold's Chief Executive Officer and Chief Financial Officer, based on their evaluation as of December 31, 2021, have determined that the Company's internal controls over financial reporting have been effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company is investigating a cyber-scam in the first quarter of 2021 that resulted in the Company paying $0.3 million to a fraudster masquerading as a legitimate vendor. As a result of the cyber-scam, the Company has clarified its internal control procedures regarding payments and believes this isolated incident committed by an unknown third party does not indicate that there exists a reasonable possibility that the Company's ICFR will fail to prevent or detect in a timely manner a material misstatement of a financial statement amount or disclosure. The Company has determined that this incident does not represent a material weakness in the design or operation of the Company's ICFR as at December 31, 2021.

Even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### *Disclosure Controls and Procedures*

Disclosure controls and processes have been designed to ensure that information required to be disclosed by Liberty Gold is compiled and reported to management as appropriate to allow timely decisions regarding required disclosure. Liberty Gold's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of December 31, 2021, that the disclosure controls and procedures are effective in providing reasonable assurance that material information related to Liberty Gold is made known to them by employees and third-party consultants working for Liberty Gold and its subsidiaries.

While Liberty Gold's Chief Executive Officer and Chief Financial Officer believe that our disclosure controls and processes will provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and processes will prevent all errors and frauds. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

## SUBSEQUENT EVENTS NOT OTHERWISE DESCRIBED HEREIN

With the exception of activities described in this MD&A, there were no further subsequent events.

## ADDITIONAL INFORMATION

For further information regarding Liberty Gold, refer to Liberty Gold's AIF and other continuous disclosure filings with the Canadian securities regulatory authorities available under Liberty Gold's company profile on SEDAR at www.sedar.com.

## APPROVAL

The Audit Committee of the Board has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it of us and will be posted to our website at www.Libertygold.ca.

*(signed) "Cal Everett"*
Cal Everett
President and Chief Executive Officer
March 25, 2021

*(signed) "Joanna Bailey"*
Joanna Bailey
Chief Financial Officer and Corporate Secretary

## SCIENTIFIC AND TECHNICAL DISCLOSURE

The written disclosure of technical information in the MD&A has been approved by Moira Smith, Ph.D., P.Geo., Liberty Gold Vice-President Exploration and Geoscience, and a Qualified Person ("**QP**") for the purposes of NI 43-101. Dr. Smith reviewed and validated that the scientific or technical information contained in this MD&A is consistent with that provided by the QPs responsible for the NI 43-101 Technical Reports for the respective projects and has verified the technical data disclosed in this document relating to those projects in which the Company holds an interest. Dr. Smith has consented to the inclusion of the Technical Information in the form and context in which it appears in this MD&A. Dr. Smith has verified that the historic data herein, including the results of drilling, sampling, and assaying by previous operators, is reliable. Historic data largely predate the introduction of NI 43-101 and modern quality assurance and quality control protocols and therefore there are limitations on the level of verification that can be achieved.

Unless otherwise indicated, Liberty Gold has prepared the technical information in this MD&A ("**Technical Information**") based on information contained in the following technical reports:

- "*Updated Technical Report and Resource Estimate for the Black Pine Gold Project, Cassia County, Idaho, USA*", effective June 20, 2021, and signed August 18, 2021, prepared by Michael Gustin, P. Geo., of MDA, a division of RESPEC, based in Reno, Nevada; Gary L. Simmons of GL Simmons Consulting LLC of Larkspur, Colorado, both independent Qualified Persons under National Instrument 43-101; and Moira Smith of Liberty Gold Corp.
- "*Preliminary Economic Assessment and Independent Technical Report for the Goldstrike Project, Washington County, Utah USA*", effective February 8, 2018, and dated July 16, 2018, co-authored by Independent Qualified Persons Bob McCarthy, P.Eng. Valerie Sawyer, SME, David Rowe, CPG and Neil Winkelmann, FAusIMM of SRK Consulting (Canada) Inc.; Gary Simmons, MMSA of GL Simmons Consulting, LLC; James N. Gray, P.Geo. of Advantage Geoservices Ltd; George Lightwood, SME, Russell Browne, P.E. and Michael Bidart, P.E. of Golder Associates Inc.; and
- "*Updated Technical Report and Resource Estimate, TV Tower Exploration Property, Canakkale, Western Turkey*", effective February 9, 2021, and dated May 18, 2021, co-authored by Mehmet Ali Akbaba, P.Geo., Mustafa Atalay, MSc, P.Geo., Fatih Uysal, MSc, P.Geo. Of DAMA Mühendislik A.Ş.; James N. Gray, P. Geo. Of Advantage Geoservices Ltd., and Gary Simmons, BSc, Metallurgical Engineering, of G L Simmons Consulting LLC.;

and news releases (collectively the "**Disclosure Documents**", each prepared by or under the supervision of a QP) available under the Company's profile on SEDAR at www.sedar.com. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents. Readers are encouraged to review the full text of the Disclosure Documents qualifying the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mineral resource estimates are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that which is indicated by drilling results, and the difference may be material. Furthermore, readers are cautioned that the Goldstrike PEA is preliminary in nature and include inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the Goldstrike PEA will be realized. Further studies, including engineering and economics, are required (typically as a Pre-Feasibility Study) with regards to infrastructure and operational methodologies. Additional disclosure and cautionary notes relating to the Goldstrike PEA are summarized in the AIF.

### *Cautionary Notes Regarding Forward-Looking Statements*

This MD&A, contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, including statements or information concerning, future financial or operating performance of Liberty Gold and its business, operations, properties and condition; the potential quantity, recoverability and/or grade of minerals, the potential size of a mineralized zone or potential expansion of mineralization, proposed exploration and development of Liberty Gold's exploration property interests, the results of mineral resource estimates and timing of PEAs and the Company's anticipated expenditures.

Forward-looking statements and forward-looking information is often, but not always, identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including among other things, the receipt of the staged payments under the Kinsley Transaction and the Baxter Spring Agreement, as well as the Halilağa Staged Payments, assumptions about future prices of gold, copper, silver, and other metal prices, changes in the worldwide price of other commodities such as coal, fuel and electricity, fluctuations in resource prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time; future issuances of Common Shares and Warrants; obtaining renewals for existing licences and permits and obtaining required licences and permits, labour stability, stability in market conditions, availability of equipment, timing of the publication of any resources, accuracy of any mineral resources or PEAs; the timing and likelihood of deployment of additional drill rigs to our projects, proposed additional metallurgical testing, the timing and amount of estimated future production, illustrative costs of production and mine life of the various mineral projects of Liberty Gold, successful resolution of disputes (if any) and anticipated costs and expenditures, the interpretation and actual results of historical production at certain of our exploration properties, as well as specific historic data associated with and drill results from those properties, and the reliance on technical information provided by our joint venture partners or other third-parties; the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration, acquisition and development activities, estimated exploration budgets and timing of expenditures and community relations activities; satisfaction of expenditure obligations under any agreements to which the Company is a party, government regulation of mining operations, environmental risks and reclamation expenses, title disputes, the ability to maintain or convert the underlying licences for TV Tower in accordance with the requirements of applicable mining laws in Turkey; government regulation of exploration and mining operations, and the application thereof in accordance with the rule of law, including any restrictions due to the recent pandemic of the novel coronavirus (COVID-19); the timing and possible outcome of regulatory and permitting matters; successful resolution of any challenges to any environmental impact assessments that might arise in the future, the impact of archaeological, cultural or environmental studies within the property areas, anticipated costs and expenditures and our ability to achieve our goals. While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information. Many assumptions are based on factors and events that are not within the control of Liberty Gold and there is no assurance they will prove to be correct.

Statements relating to mineral reserves and resources are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral reserves and resources described exist in the quantities predicted or estimated and may be profitably produced in the future. Estimated values of future net revenue do not represent fair market value. There is no certainty that it will be commercially viable to produce any portion of the resources.

Forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or forward-looking information. Such factors include, among others: general business, economic, competitive, political, regulatory and social uncertainties, including those relating to internal political or military unrest and due to the recent pandemic of the novel coronavirus (COVID-19); fluctuations in and the future price of gold, copper, silver and other metal prices; disruptions or changes in the credit or securities markets and market fluctuations in prices for Liberty Gold's securities; the timely receipt of regulatory approvals; potential dilution of Common Share voting power or earnings per share as a result of the exercise of Options, RSUs, DSUs, or Warrants, future financings or future acquisitions financed by the issuance of equity; discrepancies between actual and estimated mineral reserves and resources; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, flooding, rock bursts and other acts of God or natural disasters or unfavourable operating conditions and losses; political instability, hostilities, military coups or attempts thereof, insurrection or acts of war or terrorism; expropriation of property without fair compensation; adverse determination or rulings by governmental authorities; adverse actions by governmental authorities; changes in policy relating to the extractive industries or in the personnel administering them; the speculative nature of mineral exploration and development, including the risk of diminishing quantities or grades of mineralization; Liberty Gold's ability to renew existing licences and permits or obtain required licences and permits; changes in government legislation and regulation including pursuant to the *Canadian Extractive Sector Transparency Measures Act (Canada)*; requirements for future funding to satisfy contractual obligations and additional capital needs generally; uncertainties associated with minority interests and joint venture operations; risks arising from having the majority of the Company's operations occur in foreign jurisdictions, those associated with the Company's indemnified liabilities and the potential for increased infrastructure and/or operating costs or reclamation costs; the risks involved in the exploration, development and mining business generally; and the factors discussed in the section entitled "*Risk Factors*" in the AIF. Although we have attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward looking statements or forward-looking information, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

Forward-looking statements and forward-looking information contained herein are made as of the date of this MD&A and we disclaim any obligation to update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable law. There can be no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

Except for statements of historical fact, information contained herein or incorporated by reference herein constitutes forward-looking statements and forward-looking information. Liberty Gold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers should not place undue reliance on forward-looking information. All forward-looking statements and forward-looking information attributable to us is expressly qualified by these cautionary statements.

***Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources***

The information in this MD&A, including any information incorporated by reference, and disclosure documents of Liberty Gold that are filed with Canadian securities regulatory authorities concerning mineral properties have been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws.

Without limiting the foregoing, these documents use the terms "measured resources", "indicated resources", "inferred resources" and "probable mineral reserves". Shareholders in the United States are advised that, while such terms are defined in and required by Canadian securities laws, the United States Securities and Exchange Commission (the "SEC") does not recognize them. Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility, pre-feasibility or other technical reports or studies, except in rare cases. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of contained ounces is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report resources as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in these documents may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.