Libertygold

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2021 Annual Report

2021 Annual Report

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;

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[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

- Testing of new targets such as the Rangefront discovery;
- 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

[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

resource base and target new discoveries. Core drilling is also planned to support metallurgical testing and engineering 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]:

- 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.

Black Pine Exploration Expenditure

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).

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[14] See details in press release dated June 16, 2020.
[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]	
		$x10^6$	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]	
		$x10^6$	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.

Independent auditor’s report

To the Shareholders of Liberty Gold Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Liberty Gold Corp. and its subsidiaries (together, the Company) as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

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

- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of income (loss) and comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of exploration and evaluation assets *Refer to note 3 – Summary of significant accounting policies, note 4 – Significant accounting judgments and estimates and note 10 – Exploration and evaluation assets to the consolidated financial statements.* The Company's total exploration and evaluation (E&E) assets as at December 31, 2021 amounted to $24.1 million. Management assesses every reporting period to determine whether there are any indications of impairment relating to E&E assets. If any such indication exists, then an impairment test is performed by management. Management makes significant judgments in assessing whether certain factors would be considered an indicator of impairment, which include the rights to explore in the specific area, the planned substantive expenditure on further exploration for and evaluation of mineral resources and whether sufficient data exists to indicate that extracting the resources will not be technically feasible or commercially viable; and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. We considered this a key audit matter due to the significance of the E&E assets and the significant judgment made by management in assessing whether any indicators of impairment exist, which resulted in a high degree of auditor subjectivity in performing procedures to evaluate management's assessment.	Our approach to addressing the matter included the following procedures, among others: • Evaluated the reasonableness of management's assessment of whether any indicators of impairment exist related to E&E assets, which included the following: – Obtained, for a sample of mining titles, by reference to government registries, evidence to support (i) the rights to explore the area, and (ii) title expiration dates. – Read the board of directors' minutes and obtained budget approvals to evidence continued and planned exploration expenditure, which included evaluating the results of management's work programs. – Assessed whether extracting the mineral resources will not be technically feasible or commercially viable, or if other facts and circumstances suggest that the carrying amount exceeds the recoverable amount, based on evidence obtained in other areas of the audit.

Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 25, 2022

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

	As at December 31, 2021	As at December 31, 2020
	$	$
Assets		
Current assets		
Cash and cash equivalents	17,157,723	16,734,378
Short term investments	97,577	97,388
Receivables and prepayments (Note 5a)	567,694	505,464
Receivable on Halilağa Transaction (Note 5a)	5,753,359	5,816,308
	23,576,353	23,153,538
Assets classified as held for sale (Note 6)	-	829,736
Total current assets	23,576,353	23,983,274
Non-current assets		
Receivable on Halilağa Transaction (Note 5a)	-	5,377,858
Other financial assets (Note 7)	3,473,714	6,340,876
Deposits (Note 8)	790,888	356,203
Sales taxes receivable (Note 5)	320,918	610,805
Plant and equipment (Note 9)	1,080,207	566,499
Exploration and evaluation assets (Note 10a)	24,086,745	23,158,168
Investment in associates	-	-
Total non-current assets	29,752,472	36,410,409
Total assets	53,328,825	60,393,683
Liabilities and Shareholders' Equity		
Current liabilities		
Consideration towards the sale of Kinsley (Note 10bi)	6,906,389	4,290,007
Accounts payable and accrued liabilities (Note 11)	2,682,904	1,434,789
Lease liabilities	296,143	159,213
	9,885,436	5,884,009
Liabilities directly associated with assets classified as held for sale (Note 6)	-	122,500
Total current liabilities	9,885,436	6,006,509
Non-current liabilities		
Other financial liabilities		
Lease liabilities	302,641	247,814
Deferred tax liabilities (Note 12)	2,672,663	1,866,740
Other liabilities	141,153	22,887
Total non-current liabilities	3,116,457	2,137,441
Shareholders' equity		
Share capital (Note 13)	220,661,413	201,996,513
Contributed surplus (Note 13)	29,169,179	29,621,385
Accumulated other comprehensive loss	(8,127,395)	(8,280,782)
Accumulated deficit	(208,903,286)	(179,160,645)
Total shareholders' equity	32,799,911	44,176,471
Non controlling interest (Note 16)	7,527,021	8,073,262
Total liabilities and shareholders' equity	53,328,825	60,393,683

The notes on pages 5 to 30 are an integral part of these consolidated financial statements.
Events subsequent to the year ended December 31, 2021 are disclosed in Note 10biii, Note 13bi, and Note 22.
These financial statements were approved by the board and authorised for issue on March 25, 2022.

"*Donald McInnes* ", Director "Sean Tetzlaff", Director

LIBERTY GOLD CORP.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in United States Dollars)

	Year ended December 31, 2021	2020
	$	$
Operating expenses		
Exploration and evaluation expenditures (Note 10b)	(18,911,326)	(10,677,902)
Stock based compensation (Note 13b)	(2,590,687)	(1,715,432)
Wages and benefits	(1,981,056)	(1,641,306)
Office and general	(1,067,401)	(671,435)
Professional fees	(346,894)	(352,806)
Depreciation	(337,051)	(268,847)
Investor relations, promotion and advertising	(308,693)	(343,942)
Listing and filing fees	(129,894)	(39,366)
Loss from operations	(25,673,002)	(15,711,036)
Other income (expenses)		
Net gain on sale on Mineral Properties (Note 6)	720,893	-
Consideration received on purchase-option agreements (Note 10b)	501,731	3,204,339
Finance income on the Halilağa Transaction (Note 5)	559,193	244,409
Net gain on sale of other financial assets (Note 7)	93,980	31,208
Finance income (expense)	(6,558)	108,531
Other income (loss) (Note 14)	(780,976)	22,744
Foreign exchange losses	(306,353)	(999,940)
Change in fair value of other financial assets (Note 7)	(4,591,867)	(99,496)
Net gain on sale of interest in Halilağa	-	19,101,153
Net gain on sale of Net Profit Interest	-	1,374,376
	(3,809,957)	22,987,324
Net income (loss) before tax	(29,482,959)	7,276,288
Income tax expense	(805,923)	(260,243)
Net income (loss) for the period	(30,288,882)	7,016,045
Net income (loss) attributable to:		
Shareholders	(29,742,641)	7,481,706
Non-controlling interests (Note 16)	(546,241)	(465,661)
	(30,288,882)	7,016,045
Other comprehensive income (loss)		
Items that may be reclassified subsequently to net income		
Exchange gains on translations	153,387	1,197,266
Other comprehensive income (loss) for the period, net of tax	153,387	1,197,266
Total income (loss) and comprehensive income (loss) for the year	(30,135,495)	8,213,311
Net income (loss) attributable to:		
Shareholders	(29,589,254)	8,678,972
Non-controlling interests	(546,241)	(465,661)
Total income (loss) and comprehensive income (loss) for the year	(30,135,495)	8,213,311
Net income (loss) per share		
Basic net income (loss) per share	$ (0.11)	$ 0.03
Diluted net income (loss) per share	$ (0.11)	$ 0.03
Basic weighted average number of Common Shares	270,095,876	245,675,813
Diluted weighted average number of Common Shares	270,095,876	280,257,161

The notes on pages 5 to 30 are an integral part of these consolidated financial statements.

LIBERTY GOLD CORP.
Consolidated Statements of Changes in Equity
(Expressed in United States Dollars)

	Number of Common Shares	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity	Non-controlling interest	Total equity
	#	$	$	$	$	$	$	$
Balance as at December 31, 2019	239,282,259	192,753,629	29,558,938	(9,478,048)	(186,642,351)	26,192,168	8,515,923	34,708,091
Option, RSU and Warrant exercises	16,209,634	9,242,884	(2,085,597)	-	-	7,157,287	-	7,157,287
Stock based compensation	-	-	2,148,044	-	-	2,148,044	-	2,148,044
Contributions by non-controlling interest	-	-	-	-	-	-	23,000	23,000
Cumulative translation adjustment	-	-	-	881,691	-	881,691	-	881,691
Reclassification of previously recognised cumulative translation adjustment	-	-	-	315,575	(315,575)	-	-	-
Net income (loss) for the year	-	-	-	-	7,797,281	7,797,281	(465,661)	7,331,620
Balance as at December 31, 2020	255,491,893	201,996,513	29,621,385	(8,280,782)	(179,160,645)	44,176,471	8,073,262	52,249,733
Option, RSU and Warrant exercises (Note 13b)	32,478,022	18,664,900	(4,020,544)	-	-	14,644,356	-	14,644,356
Stock based compensation (Note 13b)	-	-	3,568,338	-	-	3,568,338	-	3,568,338
Cumulative translation adjustment	-	-	-	153,387	-	153,387	-	153,387
Net loss for the year	-	-	-	-	(29,742,641)	(29,742,641)	(546,241)	(30,288,882)
Balance as at December 31, 2021	287,969,915	220,661,413	29,169,179	(8,127,395)	(208,903,286)	32,799,911	7,527,021	40,326,932

The notes on pages 5 to 30 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

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

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

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

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

2. BASIS OF PRESENTATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets classified as fair value through profit or loss which are measured at fair value. These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(b) Basis of consolidation

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

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

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

(Expressed in United States Dollars, unless otherwise noted)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The principal subsidiaries of Liberty Gold and their geographic locations at December 31, 2021 were as follows:

Name of subsidiary	Principal activity	Location	Proportion of ownership interest and voting power held
Pilot Gold USA Inc.	Mineral exploration	United States	100%
Kinsley Gold LLC ("KG LLC")	Mineral exploration	United States	79.99%
Agola Madencilik Limited Şirketi ("Agola")	Mineral exploration	Turkey	100%
Orta Truva Madencilik Şanayi ve Ticaret A.Ş ("Orta Truva")	Mineral exploration	Turkey	64.4%
Cadillac Mining Corporation ("Cadillac")	Mineral exploration	Canada	100%
Pilot Goldstrike Inc.	Mineral exploration	United States	100%

(c) Assets held for sale

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.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets, or deferred tax assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held for sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(d) Joint arrangements

Joint arrangements are arrangements of which the Company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

(i) *Joint operation*: when the Company has rights to the assets, and obligations for the liabilities relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(ii) *Joint venture*: when the Company has rights only to the net assets of the arrangement, it accounts for its interest using the equity method.

The Company entered into a joint operation effective July 24, 2017, as a result of Logan Resources Inc. ("Logan") earning a 51% interest in four of the Company's Portfolio Projects, Brik, Viper, Easter and Antelope in accordance with the July 7, 2016, Option Agreement (the "Option Agreement"). The Company recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. On August 24, 2018 Logan assigned its interests, rights, benefits, duties and obligations pertaining to the Option Agreement to K2 Resources Inc. ("K2"), including its interests in the Brik, Viper and Easter properties. The claims and underlying lease agreements for the Antelope property were terminated.

These interests are governed by contractual arrangements but have not been organized into separate legal vehicles or entities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On March 3, 2021, the Company closed the sale of an exploration portfolio which includes the Company's 49% owned properties (Brik, Viper, and Easter) and is discussed further in Note 6b.

The Company does not have any joint arrangements that are classified as joint ventures.

(e) Foreign currencies

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

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

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

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

(f) Exploration and evaluation assets and expenditures

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(g) Plant and equipment

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

The major categories of plant and equipment noted below are depreciated over their estimated useful life using the following annual rates and methods:

Field equipment	20%	Declining balance
Equipment	30%	Declining balance
Computer software	50%	Straight line
Furniture and fixtures	20%	Declining balance
Leasehold improvements		Term of lease

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

Depreciation expense of right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment.

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

(h) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- the Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain the asset. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. The right-of-use asset is assessed for impairment losses, should a trigger be identified and adjusted for impairment if required.

The lease liability is subsequently measured at amortized cost using the effective interest method. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

We have elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

(i) Impairment of long-lived assets

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

(j) Provisions and constructive obligations

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(k) Income taxes

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

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

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

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

(l) Earnings or loss per share

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

(m) Financial instruments

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

(i) *Cash and Cash Equivalents*

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

(ii) *Short Term Investments*

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

(iii) *Loans and Receivables*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(iv) *Other Financial Assets*

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

(v) *Accounts Payable, Accrued and Other Liabilities*

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

(vi) *Expected Credit Losses*

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

(o) Share-based payments

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

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

Liberty Gold recognizes an expense or addition to exploration and evaluation assets for options granted under the Liberty Gold Stock Option Plan (2020) (the “Option Plan”), arising from stock Options granted to employees using the fair value method with a corresponding increase in equity. The amount recognized as an expense or added to exploration and evaluation assets, is adjusted to reflect the number of Options expected to vest.

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

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Judgments

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

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

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

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

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.

(Expressed in United States Dollars, unless otherwise noted)

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

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

The publication of a resource pursuant to National Instrument 43-101, Standards of Disclosure for Mineral Projects ("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 expenditures. Any such estimates and assumptions may change as new information becomes available. If information becomes available suggesting the recovery of acquisition costs is unlikely, the relevant capitalised amount is written off in the consolidated statement of income (loss) and other comprehensive income (loss) in the period when the new information becomes available.

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

(iii) *Fair value measurement on recognition of guaranteed staged payments on the sale of Halilağa*: The Company has applied estimates in determining the fair value on initial recognition of the guaranteed payments to be received from Cengiz Holdings A.Ş. ("Cengiz") as consideration on the sale of its interest in the Halilağa property.

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

5. RECEIVABLES AND PREPAYMENTS

	As at December 31, 2021	As at December 31, 2020
Sales taxes receivable	$ 30,748	$ 20,454
Other receivables	317,215	391,350
Prepayments	219,731	93,660
	$ 567,694	**$ 505,464**

An additional $320,918 in sales taxes receivable is classified as non-current and is expected to be recoverable when production begins, at or upon the sale of TV Tower (December 31, 2020: $610,805). Included in other receivables in the year ended December 31, 2021 is a $250,000 receivable from Huntsman Exploration Inc. ("Huntsman") pursuant to the amended purchase option agreement on the Baxter Spring gold project ("Amended Baxter Option Agreement") (See Note 10biii for details).

(a) Receivable on Halilağa Transaction

On August 12, 2020 the Company closed the sale of its interest in the Halilağa property (the "Halilağa Transaction") to Cengiz pursuant to a definitive agreement signed on July 12, 2019 (the "Halilağa Agreement"). The Company's interest in Halilağa was held through a 40% shareholding in Truva Bakır Maden İşletmeleri A.Ş. ("Truva Bakır") and the remaining 60% of this Turkish entity was held by Teck Madencilik Sanayi Ticaret A.Ş. ("TMST"). Pursuant to the terms of the Halilağa Agreement, the Company and TMST agreed to jointly sell their 100% interest in Truva Bakır to Cengiz for $55,000,000 cash, to be paid in stages over a two-

(Expressed in United States Dollars, unless otherwise noted)

5. RECEIVABLES AND PREPAYMENTS (continued)

year period and apportioned pro-rata to their ownership interests. The Company will receive a total of $22,000,000 in accordance with its 40% interest.

The Company has received $16,000,000 pursuant to the terms of the Halilağa Transaction as at December 31, 2021, and expects to receive the remaining $6,000,000 in a guaranteed staged payment on August 11, 2022 (the "Halilağa Staged Payment").

The Halilağa Staged Payment is classified as a financial asset at amortised cost and was recognized at a fair value on initial recognition. The Halilağa Staged Payment had a value of $5,242,361 on initial recognition. The fair value on initial recognition was calculated based on cash flows discounted using a current lending rate.

As at December 31, 2021, the Halilağa Staged Payment has a carrying value of $5,753,359. Finance income on the Halilağa Transaction of $559,193 has been recognised in the consolidated statement of income (loss) in the year ended December 31, 2021 (year ended December 31, 2020: finance income of $244,409).

6. ASSETS HELD FOR SALE

	Stateline	Easter	Kinsley	Total
Assets classified as held for sale	$ 92,601	$ 34,627	$ 702,508	**$ 829,736**
Liabilities directly associated with assets classified as held for sale	-	-	122,500	**122,500**
Net assets classified as held for sale as at December 31, 2020	**$ 92,601**	**$ 34,627**	**$ 580,008**	**$ 707,236**
Net assets classified as held for sale as at December 31, 2021	**$ -**	**$ -**	**$ -**	**$ -**

(a) Assets and liabilities of Kinsley disposal group

New Placer Dome Gold Corp ("New Placer Dome") did not pay the required anniversary payment due on June 2, 2021 pursuant to the terms of the Kinsley Option Agreement (as defined in Note 10bi). The Company and New Placer Dome signed a further amending agreement on November 5, 2021 (See Note 10bi for details), and the anniversary payment was made in accordance with the agreement. The Company has reclassified the associated assets and liabilities of the Kinsley Mountain Gold Project in Nevada ("Kinsley"), including the acquisition costs being reclassified to exploration and evaluation assets (Note 10a).

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

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

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

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

(Expressed in United States Dollars, unless otherwise noted)

6. ASSETS HELD FOR SALE (continued)

The Company recognised a gain on sale on mineral properties of $720,893 in the year ended December 31, 2021, comprised of $712,735 on the sale of the Raindrop Properties, net of the capitalised acquisition costs of Stateline and Easter and selling costs, and $8,158 from the sale of data on an additional mineral property.

7. OTHER FINANCIAL ASSETS

From time to time, the Company may make strategic investments in other private or publicly traded entities. These investments are treated as long-term investments and may take the form of common shares or share purchase warrants. Inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement are summarized in the three level hierarchies below:

- *Level 1:* Unadjusted quoted prices in active markets for identical assets or liabilities;
- *Level 2:* Inputs other than quoted prices that are observable for the asset or liability directly or indirectly and;
- *Level 3:* Inputs that are not based on observable market data.

	As at December 31,	
	2021	**2020**
Huntsman Exploration Inc.	$ 649,177	$ 2,646,632
New Placer Dome Gold Corp.	1,642,324	2,464,238
Raindrop Ventures Inc.	1,011,467	-
Other	170,746	700,217
Total Level 1 equity securities	**$ 3,473,714**	**$ 5,811,087**
Ely Gold Warrants	-	529,789
Total Level 2 equity securities	**$ -**	**$ 529,789**
Total Level 1 and Level 2 equity securities	**$ 3,473,714**	**$ 6,340,876**

During the year ending December 31, 2021, the Company received 2,500,000 Fremont Gold Ltd. ("Fremont") common shares (included in "Other" in the table above) pursuant to the terms of the purchase-option agreement to sell the Griffon project to Fremont, and also received 4,013,406 Raindrop Shares (See Note 10b for details).

During the year ending December 31, 2021, the Company exercised 900,000 share purchase warrants ("Ely Gold Warrants") of Ely Gold Royalties Inc. ("Ely Gold") for C$0.43 per warrant and received 900,000 common shares of Ely Gold ("Ely Gold Shares") (year ending December 31, 2020: 1,100,000 Ely Gold Warrants exercised). The Company sold 1,240,000 Ely Gold Shares during the year for a weighted average price of C$1.05 (year ending December 31, 2020: 760,000 Ely Gold shares sold for a weighted average price of C$1.40).

In the year ending December 31, 2021, the Company recognized a net gain on sale of $93,980 (year ended December 31, 2020: $31,208) from the sale of Ely Gold Shares and other financial assets.

The Company recognised losses of $4,591,867 in the consolidated statement of income (loss) for the year ending December 31, 2021 (year ending December 31, 2020: loss of $99,496) on the change in fair value of other financial assets relating to the equity securities held.

(Expressed in United States Dollars, unless otherwise noted)

8. DEPOSITS

On August 1, 2012 Liberty Gold entered into a technical and administrative services agreement (the "Oxygen Agreement") with Oxygen Capital Corp. ("Oxygen"), a related party, whereby Oxygen provides management, administrative and accounting services to the Company at cost. As at December 31, 2021, Oxygen holds an advance of $155,725 (December 31, 2020: $128,506) on behalf of the Company, that on termination of the Oxygen Agreement will be applied against the final three months of services. The amount held by Oxygen is reviewed periodically and adjusted to reflect an estimate of costs over three months.

The Company holds a surety bonding arrangement with a third-party (the "Surety") in order to satisfy bonding requirements in the states of Idaho, Nevada and Utah. The total collateralized balance as at December 31, 2021 is $561,819 (December 31, 2020: $116,148). A finance fee is charged monthly on the full balance of the Surety amount. An additional $73,344 is held with the Turkish General Directorate of Mining Affairs (at December 31, 2020: $111,549), in order to meet bonding requirements on the TV Tower property. A total of $6,876 was refunded during the year ended December 31, 2021 (December 31, 2020: $6,777).

9. PLANT AND EQUIPMENT

	Owned assets (a)	Right-of-use assets (b)	Total
Net book value as at December 31, 2020	$ 197,824	$ 368,675	$ 566,499
Net book value as at December 31, 2021	**$ 545,886**	**$ 534,321**	**$ 1,080,207**

a) Owned assets

Cost:	**Field equipment**	**Equipment**	**Computer software**	**Furniture and fixtures**	**Leasehold improvements**	**Total**
Balance as at December 31, 2020	$ 182,821	$ 615,627	$ 280,758	$ 269,359	$ 322,507	$1,671,072
Additions	63,712	48,810	3,193	-	302,658	418,373
Disposals	8,500	-	-	-	-	8,500
Cumulative translation adjustment	221	582	368	531	-	1,702
Balance as at December 31, 2021	**$ 238,254**	**$ 665,019**	**$ 284,319**	**$ 269,890**	**$ 625,165**	**$2,082,647**
Accumulated Depreciation:						
Balance as at December 31, 2020	$ 102,948	$ 526,307	$ 278,950	$ 242,536	$ 322,507	$1,473,248
Depreciation charge	24,787	25,868	2,004	5,146	9,813	67,618
Disposals	5,680	-	-	-	-	5,680
Cumulative translation adjustment	101	633	368	473	-	1,575
Balance as at December 31, 2021	**$ 122,156**	**$ 552,808**	**$ 281,322**	**$ 248,155**	**$ 332,320**	**$1,536,761**
Net Book Value:						
As at December 31, 2020	$ 79,873	$ 89,320	$ 1,808	$ 26,823	$ -	$ 197,824
As at December 31, 2021	**$ 116,098**	**$ 112,211**	**$ 2,997**	**$ 21,735**	**$ 292,845**	**$ 545,886**

Equipment consists of automobiles, automotive equipment, and computer hardware.

(Expressed in United States Dollars, unless otherwise noted)

9. PLANT AND EQUIPMENT (continued)

b) Right-of-use (leased) assets

The Company has entered into lease contracts for premises in the United States and Turkey. The lease terms are between two and four years; each lease is renewable at the end of the lease period at market rates. Lease agreements do not impose any covenants, but lease assets may not be used as security for borrowing purposes. Office premises and other operating leases in Canada are paid to Oxygen, pursuant to the Oxygen Agreement. Upon termination of the Oxygen Agreement, the Company is required to indemnify Oxygen for costs associated with those agreements or obligations that had been executed or incurred by Oxygen in connection with, or related to the services provided to the Company by Oxygen.

The office premises in Canada, and office premises and automobiles in Turkey and the United States represent right-of-use assets. Contingent rental expenditures of $94,188 consisting of operating costs have been charged to the consolidated statement of income (loss) for the year ended December 31, 2021.

Cost:	**Offices**	**Automobiles**	**Other**	**Total**
Balance as at December 31, 2020	$ 745,678	$ 81,504	$ -	$ 827,182
Additions	278,522	139,421	34,329	452,272
Cumulative translation adjustment	(5,527)	(12,947)	-	(18,474)
Balance as at December 31, 2021	**$ 1,018,673**	**$ 207,978**	**$ 34,329**	**$ 1,260,980**
Accumulated Depreciation:				
Balance as at December 31, 2020	$ 419,312	$ 39,195	$ -	$ 458,507
Depreciation charge	240,426	42,075	9,536	292,037
Cumulative translation adjustment	(10,938)	(12,947)	-	(23,885)
Balance as at December 31, 2021	**$ 648,800**	**$ 68,323**	**$ 9,536**	**$ 726,659**
Net Book Value:				
As at December 31, 2020	$ 326,366	$ 42,309	$ -	$ 368,675
As at December 31, 2021	**$ 369,873**	**$ 139,655**	**$ 24,793**	**$ 534,321**

(Expressed in United States Dollars, unless otherwise noted)

10. EXPLORATION AND EVALUATION ASSETS

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

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

	December 31, 2020	Additions	Reclassification from Asset Held for Sale (Note 6)	December 31, 2021
USA				
Black Pine	$ 1,010,927	$ 352,739	$ -	$ 1,363,666
Goldstrike	8,486,985	-	-	8,486,985
Kinsley	-	-	575,838	575,838
Total USA	**$ 9,497,912**	**$ 352,739**	**$ 575,838**	**$ 10,426,489**
Turkey				
TV Tower	$ 13,660,256	$ -	$ -	$ 13,660,256
Total Turkey	**$ 13,660,256**	**$ -**	**$ -**	**$ 13,660,256**
Total	**$ 23,158,168**	**$ 352,739**	**$ 575,838**	**$ 24,086,745**

The acquisition costs related to the Kinsley property have been reclassified from an asset held for sale to exploration and evaluation assets which is discussed in Note 6a.

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

	Black Pine	Goldstrike	Properties under Option	**Total USA**	TV Tower	Other Exploration	**Total**
December 31, 2019	$ 6,282,814	$ 18,617,650	$ 23,547,558	**$ 48,448,022**	$ 34,363,261	$ 3,671,218	**$ 86,482,501**
Drilling and assays	5,369,804	12,198	-	**5,382,002**	321,859	-	**5,703,861**
Wages and salaries	1,698,415	83,932	15,201	**1,797,548**	94,713	6,145	**1,898,406**
Annual license fees	147,008	142,656	8.910	**298,574**	-	-	**298,574**
Metallurgy	468,558	1,182	-	**469,740**	-	-	**469,740**
Other	1,519,900	311,757	938	**1,832,595**	440,342	34,384	**2,307,321**
December 31, 2020	$ 15,486,499	$ 19,169,375	$ 23,572,607	**$ 58,228,481**	$ 35,220,175	$ 3,711,747	**$ 97,160,403**
Drilling and assays	7,621,944	1,371,222	-	**8,993,166**	-	-	**8,993,166**
Wages and salaries	2,354,472	450,465	882	**2,805,819**	115,398	-	**2,921,217**
Road & site prep	839,232	64,406	-	**903,638**	-	-	**903,638**
Technical studies	793,885	65,461	-	**859,346**	-	-	**859,346**
Metallurgy	708,989	4,164	-	**713,153**	-	-	**713,153**
Other	3,354,768	780,216	-	**4,134,984**	383,400	2,422	**4,520,806**
December 31, 2021	$ 31,159,789	$ 21,905,309	$ 23,573,489	**$ 76,638,587**	$ 35,718,973	$ 3,714,169	**$116,071,729**

(Expressed in United States Dollars, unless otherwise noted)

10. EXPLORATION AND EVALUATION ASSETS (continued)

Wages and salaries include stock-based compensation (see Note 13b). Other Exploration comprises exploration expenditures on mineral interests that the Company does not hold the rights to. Properties under Option are comprised of the Kinsley and Griffon properties.

(i) Kinsley Option Agreement

On December 2, 2019 and as subsequently amended on May 1, 2020 and November 5, 2021, the Company entered into a definitive option agreement for the sale of 100% of the Company's interest in Kinsley to New Placer Dome (as amended, the "Kinsley Option Agreement"). Pursuant to the terms of the Kinsley Option Agreement the Company will receive an aggregate of $6,250,000 in cash and share value plus a 9.9% interest in New Placer Dome. The option payments are as follows:

- $1,250,000 plus common shares in New Placer Dome ("NPD Shares") totalling 9.9% of issued and outstanding NPD Shares on a post-consolidation and post-acquisition financing basis (subject to a contractual 12 month hold period) (received on June 2, 2020), (combined the "Initial Option Payment"),
- $1,250,000 in cash and $1,250,000 in value of NPD Shares (subject to a 12 month hold period) as soon as is practicable after approval by the TSX Venture Exchange (received November 2021), (combined the "First Anniversary Payment"),
- $1,250,000 in cash and $1,250,000 in value of NPD Shares on or before June 2, 2022 (subject to a 4-month statutory hold period), and
- a 1% Net Smelter Return Royalty ("NSR") on the acquired interest in Kinsley, of which up to one-half percent (0.5%) can be repurchased by New Placer Dome for $500,000.

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

Cash consideration	$	1,250,000
Repayment of surety bond deposit		124,570
Fair value of common shares in New Placer Dome received[1]		2,722,992
Consideration towards the sale of Kinsley at June 2, 2020	**$**	**4,097,562**
Foreign exchange differences		192,445
Consideration towards the sale of Kinsley at December 31, 2020	**$**	**4,290,007**
Cash consideration		1,250,000
Fair value of common shares in New Placer Dome received[2]		1,374,764
Foreign exchange differences		(8,382)
Consideration towards the sale of Kinsley at December 31, 2021	**$**	**6,906,389**

[1] Receipt of 8,844,124 NPD Shares, representing 9.9% of New Placer Dome's issued and outstanding common shares.
[2]Receipt of 17,222,222 NPD Shares, together with the 8,844,124 NPD shares from the Initial Option Payment, representing approximately 15.8% of the issued and outstanding shares on an undiluted basis.

The Initial Option Payment and First Anniversary Payment received have been recorded as a current liability as at December 31, 2021. The liability will be extinguished either upon the exercise of the option or upon option termination by New Placer Dome.

10. EXPLORATION AND EVALUATION ASSETS (continued)

The Initial Option Payment and First Anniversary Payment received pursuant to the Kinsley Option Agreement are derivatives. They are financial instruments measured at fair value through profit and loss using Level 3 inputs as there is no observable market data available. Other than the impact of foreign exchange, no factors affecting the fair value of the Initial Option Payment or First Anniversary Payment in the time from the initial recognition to the period end were identified.

(ii) Griffon Project

On December 16, 2019, the Company entered into an agreement to sell the Griffon project to Fremont through a purchase-option agreement ("Griffon Agreement") and the agreement was subsequently amended on December 14, 2020 ("Amended Griffon Agreement"). In the year ending December 31, 2021, the Company received $75,000 and 2,500,000 common shares in Fremont as part of the Amended Griffon Agreement. The fair value of the 2,500,000 common shares of Fremont ("Fremont Shares") was $176,731 on the date of acquisition.

Terms of the Amended Griffon Agreement include:

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

The option payments received in the year ending December 31, 2021 of $251,731 were recognised as income in the consolidated statement of income (loss) as the carrying value of the Griffon property is nil.

(iii) Baxter Spring Project

On August 28, 2020 the Company signed an option agreement with Huntsman for the Baxter Spring property (the "Baxter Option Agreement").

Pursuant to the terms of the Baxter Option Agreement, the Company will receive:

- $250,000 on the closing date of the Baxter Option Agreement (received November 2020);
- A number of common shares in Huntsman (Huntsman Shares) equal to 19.5% of the issued and outstanding Huntsman Shares, (subject to a one-year hold period) (received 14,986,890 Huntsman Shares in November 2020);
- $250,000 on or before November 12, 2021 (the "Final Baxter Payment")
- a 2% NSR;
- a 36 month right to reacquire a 35% interest in Baxter Spring for $1,000,000 ("Back-in Right").

On September 22, 2021, Huntsman exercised their option on Baxter Springs and pursuant to the terms of the Amended Baxter Option Agreement the Final Baxter Payment will be a committed payment to be paid on or before May 31, 2022 and the Back-in Right has been waived by the Company.

The Company has recognised income in the consolidated statement of income (loss) of $250,000 in the period ending December 31, 2021 as there were no acquisition costs capitalised for Baxter Spring.

Subsequent to the year ended December 31, 2021 on January 12, 2022, the Company received the Final Baxter Payment of $250,000 pursuant to the Baxter Option Agreement.

(Expressed in United States Dollars, unless otherwise noted)

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Year ended December 31, 2021	2020
Trade payables	$ 1,704,566	$ 801,116
Decommissioning liability - current	692,800	340,300
Accrued liabilities	271,259	166,330
Other payables	14,279	127,043
	$ 2,682,904	**$ 1,434,789**

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

During the year ended December 31, 2021, the current decommissioning liability relating to the Company's Black Pine and Goldstrike properties was increased by $145,000 (year ended December 31, 2020: increased by $73,500) and $207,500 (year ended December 31, 2020: decrease by $27,500), respectively.

12. INCOME TAXES

The recovery of income taxes differs from the amount that would have resulted from applying combined Canadian federal and provincial statutory tax rates for 2021 of 27.00% (2020: 27.00%).

	Year ended December 31, 2021	2020
Income (loss) before taxes	$ (29,482,959)	$ 7,276,288
Statutory tax rate	27.00%	27.00%
Expected income tax expense (recovery)	(7,960,399)	1,964,598
Permanent differences	1,486,146	(3,991,958)
Change in deferred income tax rates	-	-
Benefit not recognized and other	7,280,176	2,287,603
Income tax expense	**$ 805,923**	**$ 260,243**

A deferred tax liability of $2,672,663 has been recorded as at December 31, 2021 (December 31, 2020: $1,866,740) arising from foreign exchange differences in the tax basis of the TV Tower mineral property held by Orta Truva.

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

	Year ended December 31, 2021	2020
Operating losses carried forward	$ 84,968,159	$ 73,557,313
Equipment	537,333	540,856
Mineral properties	39,633,802	25,022,611
Investments and other	6,955,059	3,230,883
Total temporary differences	**$ 132,094,353**	**$ 02,351,663**

The Company has non-capital losses which may be applied to reduce future taxable income. These losses expire between 2021 and 2041. For losses incurred in the United States in 2020 and subsequent years, the losses carry forward indefinitely with some usage restrictions:

	Canada	US	Turkey	Total
December 31, 2021	$ 34,394,777	$ 49,827,486	$ 745,896	**$ 84,968,159**

There are no current income taxes owed by the Company as at December 31, 2021.

(Expressed in United States Dollars, unless otherwise noted)

13. SHARE CAPITAL AND CONTRIBUTED SURPLUS

(a) *Authorized*

Unlimited Common Shares with no par value.

(b) *Stock-based compensation*

For the year ended December 31, 2021, the Company charged a total of $3,568,338 of stock-based compensation expense to the consolidated statement of income (loss) (year ended December 31, 2020: $2,148,044) of which $977,651 is attributed to exploration and evaluation expenditures (year ended December 31, 2020: $432,612).

i) Stock Options

The Liberty Gold Stock Option Plan was approved on June 8, 2020. Under the terms of the Option Plan, the Board may, from time to time, grant to employees, officers and directors of, or consultants to the Company, non-assignable Options in such numbers and for such terms as may be determined by the Board.

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

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

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

	Options	**Weighted Average Exercise Price**
	#	C$
Balance, January 1, 2020	16,637,083	0.59
Options granted	2,975,000	1.67
Options expired	(167,000)	1.14
Options forfeit or cancelled	(134,999)	0.63
Options exercised	(1,790,418)	0.54
Balance, December 31, 2020	**17,519,666**	**0.77**
Options granted	5,532,250	1.12
Options expired	(200,000)	1.19
Options exercised	(6,025,468)	0.51
Balance, December 31, 2021	**16,826,448**	**0.98**

The weighted average share price at the date of exercise for stock options exercised during the year was C$1.39.

(Expressed in United States Dollars, unless otherwise noted)

13. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

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

Range of prices	Number of Options outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number of Options exercisable	Weighted average exercise price of Options exercisable
	#	(in years)	C$	#	C$
C$0.01 to C$0.50	3,539,199	1.57	0.38	3,539,199	0.38
C$0.51 to C$0.99	8,509,999	3.70	0.88	3,736,671	0.81
C$1.00 to C$1.99	4,602,250	4.04	1.58	2,235,587	1.59
C$2.00 to C$2.99	175,000	3.52	2.18	108,334	2.21
	16,826,448	**3.34**	**0.98**	**9,619,791**	**0.85**

For the purposes of estimating the fair value of Options using Black-Scholes, certain assumptions are made such as the expected dividend yield, volatility of the market price of the Company's shares, risk-free interest rates and expected average life of the options.

The weighted average fair value of Options granted during the year ended December 31, 2021 determined using Black-Scholes was C$0.55 per option. The weighted average significant inputs into the model included a share price of C$1.12 at the grant date, an exercise price of C$1.12, a volatility of 63%, a dividend yield of 0%, an expected Option life of 4.17 years and an annual risk-free interest rate of 1.0%. A weighted average 9.7% forfeiture rate was applied to the option expense.

A total of 1,914,870 stock options were granted to Directors of the Company subsequent to year end on January 4, 2022 with a fair value of C$0.49.

ii) Restricted Share Units

RSUs granted under the Liberty Gold RSU Plan to employees and service providers of the Company vest in thirds at the end of each year from the date of grant, with the exception of a portion of those granted which vest immediately.

Transactions relating to RSUs are summarised as follows:

	RSUs
	#
Balance, January 1, 2021	2,576,039
RSUs granted	3,002,949
RSUs exercised	(1,076,243)
Balance, December 31, 2021	**4,502,745**

(Expressed in United States Dollars, unless otherwise noted)

13. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

Expiry Date	Number of RSUs outstanding	Weighted average remaining contractual life	Number of RSUs vested
	#	(in years)	#
December 31, 2022	711,816	1.00	493,488
December 31, 2023	821,344	2.00	321,348
December 31, 2024	2,969,585	3.00	1,002,085
	4,502,745	**2.50**	**1,816,921**

iii) Deferred Share Units

DSUs granted under the Liberty Gold DSU Plan to Directors of the Company, have no expiration date and are redeemable upon termination of service.

Transactions relating to DSUs are summarised as follows:

	DSUs
	#
Balance, January 1, 2021	2,133,986
DSUs granted	104,948
Balance, December 31, 2021	**2,238,934**

iv) Warrants

At year end, no warrants are outstanding. Warrant balances and transactions throughout the year are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
	#	C$
Balance, January 1, 2021	25,471,311	0.61
Warrants exercised	(25,376,311)	0.61
Warrants expired	(95,000)	0.60
Balance, December 31, 2021	-	-

14. OTHER EXPENSES

In the year ending December 31, 2021, the Company fell victim to a cyber-scam that resulted in the Company making a payment of $326,900 which could not be recovered. The payment made has been recorded as a loss in the consolidated statement of income (loss) in the period.

(Expressed in United States Dollars, unless otherwise noted)

15. NET INCOME (LOSS) PER SHARE

The calculation of basic net income (loss) per share has been based on the net income (loss) attributable to shareholders and the weighted-average number of common shares outstanding.

The calculation of diluted net income (loss) per share has been based on the net income (loss) attributable to shareholders and the weighted-average number of common shares outstanding after adjustment for the effects of all dilutive potential common shares. Options and warrants are considered dilutive when the average market price for the year ended December 31, 2021 exceeds the exercise price of the Option or warrant.

In the year ended December 31, 2021, RSUs and DSUs, Options, and warrants were not dilutive.

A reconciliation of the numerator and denominator used for the purposes of calculating basic and diluted net income (loss) is as follows:

	Year ended December 31,			
		2021		**2020**
Numerator for basic and diluted net income (loss) per common share	**$**	**(29,742,641)**	**$**	**7,481,706**
Denominator for basic net income (loss) per common share		270,095,876		245,675,813
Effect of dilutive RSUs and DSUs		-		4,360,366
Effect of dilutive Options		-		9,831,278
Effect of dilutive warrants		-		20,389,704
Denominator for diluted net income (loss) per common share		**270,095,876**		**280,257,161**
Basic net income (loss) per common share	**$**	**(0.11)**	**$**	**0.03**
Diluted net income (loss) per common share	**$**	**(0.11)**	**$**	**0.03**

16. NON-CONTROLLING INTEREST

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

Liberty Gold owns a 64.4% controlling interest of the TV Tower property through a 64.4% ownership stake in Orta Truva. The remaining 35.6% interest is held by TMST. The value of the non-controlling interest in Orta Truva has increased by $nil (2020: $23,000) during the year ended December 31, 2020 upon receipt of funding from the non-controlling interest holder, TMST. The Company's controlling interest in Orta Truva increased by 1.5% in the year ended December 31, 2021.

Summary financial information for Orta Truva is as set out below and is shown before intercompany eliminations. The loss in Orta Truva relates to exploration and evaluation expenditures, foreign exchange and the deferred tax expense (Note 12).

(Expressed in United States Dollars, unless otherwise noted)

16. NON-CONTROLLING INTEREST (continued)

(a) Summarised Balance Sheet

	Year ended December 31, 2021	2020
Current		
Assets	$ 31,538	$ 41,034
Liabilities	(77,382)	(88,347)
Total Current net liabilities	$ (45,844)	$ (47,313)
Non-Current		
Assets	$ 1,659,164	$ 1,987,255
Liabilities	(2,672,663)	(1,866,740)
Total Non-current net assets	$ (1,013,499)	$ 120,515
Net Assets	**$ (1,059,343)**	**$ 73,202**

(b) Summarised Statement of Loss

	Year ended December 31, 2021	2020
Statement of Loss	$ 1,534,386	$ 1,255,152
Other comprehensive Loss	-	-
Loss and other comprehensive Loss	**$ 1,534,386**	**$ 1,255,152**

(c) Summarised cash flows

	Year ended December 31, 2021	2020
Net cash flow from:		
operating activities	$ (411,562)	$ (763,721)
financing activities	401,841	708,880
investing activities	-	-
Net increase (decrease) in cash	$ (9,721)	$ (54,841)
Cash at the beginning of the year	32,269	87,110
Cash at the end of the year	**$ 22,548**	**$ 32,269**

17. CAPITAL DISCLOSURES

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

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

18. FINANCIAL RISK MANAGEMENT

Financial Risk Management

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

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's exposure to credit risk is limited to the carrying value of the cash and cash equivalents, short-term investments, and accounts receivable on the consolidated statement of financial position.

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.

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 Receivable approximates the fair value (Note 5a); as there has been no significant changes in the underlying credit risk of the Halilağa Receivable.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash and cash equivalents. The Company may from time to time have to issue additional Common Shares to ensure there is sufficient capital to meet long term objectives. The Company's financial liabilities of accounts payable and accrued liabilities are payable within a 90 day period and are expected to be funded from the cash held.

Interest Rate Risk

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

Market Risk

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

18. FINANCIAL RISK MANAGEMENT (continued)

Foreign Exchange Risk

The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. The majority of the Company's mineral property expenditures, including the cash calls from the Company's 35.6% partner at Orta Truva are incurred in United States dollars. Certain mineral property expenditures are also incurred in Turkish Lira. The fluctuation of the Canadian dollar and the Turkish Lira in relation to the United States dollar will consequently have an impact upon the financial results of the Company.

Further, although only a portion of the Company's expenditures, primarily general and administrative costs are incurred in Canadian dollars, the Company records its assets located in Vancouver in Canadian dollars. As the operating results and financial position of the Company are reported in United States dollars in Liberty Gold's consolidated financial statements, there may also be an impact to the reported value of the Company's assets, liabilities and shareholders' equity as a result of the fluctuation of the CAD in relation to the United States dollar. A 10% increase or decrease in the exchange rate of the US dollar against the Canadian dollar would result in a $1,321,710 increase or decrease respectively (December 31, 2020: $645,612), in the Company's cash and short-term investment balance. The Company has not entered into any derivative contracts to manage foreign exchange risk at this time.

19. COMMITMENTS

Leases

Upon adoption of IFRS 16, the Company recognized a right-of-use asset and a lease liability at the lease commencement date for certain contracts.

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

Year	
2022	$ 43,222
2023+	-
	$ 43,222

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

(Expressed in United States Dollars, unless otherwise noted)

20. SEGMENT INFORMATION

The Company's operations are in one segment, the exploration for gold, copper and other precious and base metals. Consistent with December 31, 2020, Liberty Gold has three geographic locations at December 31, 2021: Canada, the United States and Turkey. The total assets attributable to the geographic locations relate primarily to the exploration and evaluation assets held by the Company and disposal groups held for sale, which have been disclosed in Notes 10 and 6, respectively.

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

	Year ended December 31, 2021	2020
Canada	$ (10,138,526)	$ 14,403,405
USA	(18,537,431)	(6,120,270)
Turkey	(1,612,925)	(1,267,090)
	$ (30,288,882)	**$ 7,016,045**

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

	Year ended December 31, 2021	2020
Canada	$ 235,551	$ 345,557
USA	825,129	197,080
Turkey	19,527	23,862
	$ 1,080,207	**$ 566,499**

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

21. RELATED PARTY TRANSACTIONS

In addition to the following, the Company's related parties also include its subsidiaries.

Oxygen Capital Corp

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

Transactions with Oxygen during the year ended December 31, 2021 total $654,265 in expenditures, reflected in the Company's consolidated statement of income (loss) and comprehensive income (loss) (year ended December 31, 2020: $560,494). As at December 31, 2021, Oxygen holds a refundable deposit of $155,725 on behalf of the Company (December 31, 2020: $128,506) (Note 8). Additionally, as at December 31, 2021 the Company held a payable to Oxygen of $50,637, that was settled subsequent to December 31, 2021 (December 31, 2020: $51,382).

(Expressed in United States Dollars, unless otherwise noted)

21. RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

Key management includes members of the Board, the President and Chief Executive Officer, the VP Exploration, the Chief Financial Officer & Corporate Secretary, and the Turkish Country Manager. In the year ending December 31, 2021, key management also includes the Chief Operating Officer, and VP Business Development.

The aggregate total compensation paid, or payable to key management for employee services directly or via Oxygen is shown below:

	Year ended December 31, 2021	2020
Salaries and other short-term employee benefits	$ 1,304,364	$ 1,263,663
Share-based payments	2,198,289	1,427,638
Total	**$ 3,502,653**	**$ 2,691,301**

22. SUBSEQUENT EVENTS

Bought-Deal Financing

On March 25, 2022, the Company closed a bought-deal financing (the “Bought-Deal”) with a syndicate of underwriters (the “Underwriters”) whereby the Underwriters purchased, on a bought-deal basis, 27,273,000 Common Shares, at a price of C$1.10 per Common Share, for gross proceeds of C$30,000,300.

CORPORATE INFORMATION

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