Liberty Gold Corp.

(formerly known as Pilot Gold Inc.)
An Exploration Stage Company

Management's Discussion and Analysis
For the year ended December 31, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended December 31, 2017

This Management's Discussion and Analysis, dated as of March 26, 2018, is for the year ended December 31, 2017 (the "**MD&A**"), and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2017 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, 2017, dated March 26, 2018 (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].

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 and 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 AND SIGNIFICANT SUBSEQUENT EVENTS

Bought-Deal Financing[2]

Completed a bought deal financing of C$10.47 million (the "**2018 Bought-Deal**") on January 26, 2018.

Goldstrike[3]

On February 8, 2018, Liberty Gold announced the completion of a maiden independent resource estimate[4] at our 100% controlled Goldstrike Oxide Gold project in southwestern Utah, quoted at a cut-off grade of 0.25 grams per tonne gold (g/t Au) and consisting of:

- **An indicated resource of 865,000 ounces of gold at an average grade of 0.54 g/t Au (49,553,000 tonnes); and**
- **An inferred resource of 274,000 ounces of gold at an average grade of 0.52 g/t Au (16,443,000 tonnes).**

The resource estimate captures drilling in the Historic Mine Trend, comprising the Main, Dip Slope, Peg Leg and Western zones, as well as the Mineral Mountain area. Highlights of reverse circulation ("**RC**") drilling to date since January, 2017 include:

- Main Zone:
  - 0.64 g/t Au over 15.2 m and 1.96 g/t Au over 9.1 m within 1.11 g/t over 19.8 m in PGS290
  - 2.22 g/t Au over 15.2 m within 1.05 g/t Au over 48.8 m in PGS306
  - 0.83 g/t Au over 21.3 m in PGS318
- Dip Slope Zone:
  - 2.49 g/t Au over 10.7 m within 1.15 g/t over 35.1 m in PGS415
  - 2.23 g/t Au over 6.1 m within 1.05 g/t Au over 21.3 m in PGS440
  - 2.39 g/t Au over 7.6 m within 0.91 g/t Au over 82.3 m in PGS461
  - 0.63 g/t Au over 73.2 m in PGS407
- Western Zone:
  - 2.09 g/t Au over 6.1 m within 0.69 g/t Au over 30.5 m 1.79 g/t Au over 10.7 m within 0.74 g/t Au over 41.1 m in PGS281
  - 1.93 g/t Au over 6.1 m within 0.74 g/t Au over 48.8 m in PGS400

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[1] As at December 31, 2017, the value of C$1.00 was approximately $0.80; the daily average OANDA Rate™
[2] See press releases of January 8, 2018 and January 26, 2018
[3] See press releases of July 31, 2017, August 21, 2017, August 30, 2017, September 13, 2017, October 16, 2017, November 16, 2017, January 3, 2018, February 6, 2018 and February 8, 2018.
[4] The mineral resource estimate, effective date February 8, 2018. Refer to pages 5 and 6 in this MD&A and the related technical report "*Independent Technical Report and Resource Estimate for the Goldstrike Property, Washington County, Utah, USA*" under the Company's profile on SEDAR at www.sedar.com for details and disclosures relating to the independent resource estimate for the Goldstrike project.

  - 3.24 g/t Au over 6.1 m within 1.20 g/t Au over 50.3 m in PGS406
- Peg Leg Zone:
  - 0.64 g/t Au over 33.5 m and 0.77 g/t Au over 4.6 m and 0.96 g/t Au over 1.5 m in PGS338
  - 2.32 g/t Au over 3.0 m within 0.82 g/t Au over 13.7 m in PGS363
- Mineral Mountain:
  - 2.03 g/t Au over 6.1 metres (m) and 0.74 g/t Au over 13.7 m in PGS275
  - 3.48 g/t Au over 4.6 m within 1.16 g/t Au over 25.9 m in PGS255
  - 3.14 g/t Au over 32.0 m within 1.78 g/t Au over 67.1 m in PGS277

An initial reconnaissance drill test of two new areas, located 1.5 km west and 2.3 km southwest respectively of the Western Zone was completed. Both areas confirm new gold discoveries and warrant further drilling:

  - 2.25 g/t Au over 13.7 m within 1.46 g/t Au over 24.4 m in PGS 473 (Fence Line)
  - 0.78 g/t Au over 12.2 m in PGS 466 (Jack's Camp)

Drilling recommenced on March 14, 2018.

<u>Black Pine</u>[5]

An initial round of drilling was completed in late 2017, including thirteen RC holes from five locations within a large 12 square kilometer target area. Highlights include:

- LBP002:
  - 0.58 g/t Au over 39.6 m, including 1.54 g/t Au over 4.6 m starting near surface
  - 1.10 g/t Au over 15.2 m including 1.55 g/t Au over 7.6 m
  - 1.49 g/t Au over 77.7 m including 5.64 g/t Au over 6.1m and 3.23 g/t Au over 15.2 m
- LBP003:
  - 0.53 g/t Au over 27.4 m and 0.61 g/t Au over 15.2 m.

OUTLOOK

Our exploration activities and proposed budget for 2018 will continue to focus on the Goldstrike, Black Pine and Kinsley projects, all located in the prolific Great Basin within Utah, Idaho and Nevada, respectively. Goldstrike, Kinsley and Black Pine all feature Carlin-style, shallow, oxide gold targets with district scale potential. As we recently completed Goldstrike's maiden independent resource estimate, we are continuing to rapidly advance exploration in order to expand our resource and to advance the project through to a Preliminary Economic Assessment ("**PEA**").

The Company has a working capital balance of approximately $7.84 million (as at the date of this MD&A), providing the capital necessary to continue making discoveries and building value, while continuing to examine options for monetising our advanced project interests in Turkey. Closing of the 2018 Bought-Deal contributed an additional $8.44 million in capital to advance our project interests. Liberty Gold's share of expenditures for the year ended December 31, 2017, as compared to our share of budgeted cash exploration and development expenditures on our property interests are summarized (in 000s) as:

Project	Liberty Gold ownership	Minerals	Year ended December 31, 2017		Budgeted expenditures for 2018
			Our Share of Actual cash expenditures	Budgeted expenditures[1]	
Goldstrike	100%	gold	$ 6,315	$ 7,061	**$ 4,123**
Black Pine	100%	gold	$ 596	$ 268	**$ 233**
Kinsley	79%	gold	$ 383	$ 373	**$ 421**
Total			$ 7,294	$ 7,702	**$ 4,777**

[1] In July 2017, an amended budget was approved by the Company's Board of Directors (the "**Board**"), as a reflection of continued successful drilling at Goldstrike to date. Amounts shown as budgeted expenditures reflect the amendment. Our original 2017 annual budget was $11.30 million.

During the year ended December 31, 2017, we incurred approximately $11.43 million in cash administration and exploration expenditures, including the portfolio properties (relative to an amended approved 2017 annual budget of $11.98 million). The 2018 budget is currently $9.02 million, however is subject to change and may be increased dependent on results and market conditions.

[5] See press release of January 5, 2018

Goldstrike

In order to expand the current resource estimate and advance the project to a PEA, RC drilling is planned to recommence on April 5, 2018 and is set to continue through to November, for a total of 14,900 m. Additional core drilling commenced on March 14, 2018, for a total of 2,000 m in order to complete the project's second phase of metallurgical testing. Areas of focus continue to be the Main, Peg Leg, Dip Slope and Western Zones.

The Company recently received an amendment to the current Plan of Operations ("**PoO**") allowing access to disturbed areas on the property (historic heap leach pads, stockpiles, etc.), and has submitted an additional amendment to include additional target areas, reflecting a better understanding of the distribution and controls on mineralization gained during period since the original PoO was submitted in early 2016. The approved amended PoO is expected in late 2018. The initial 2018 exploration program and budget at Goldstrike is $4.12 million.

Black Pine

The Black Pine property is a past-producing, Carlin-style, oxide gold mine located in southeastern Idaho. Surface oxide gold mineralization at Black Pine has been identified over a 12 km^2 area. The data compilation work and 2,077 m validation drill program carried out in 2017 has allowed us to identify the most strategic targets for a next-step drill program in order to expand our understanding of the mineralisation. In order to permit drilling over a wider area than our current PoO allows access to, including a number of undrilled targets, a new PoO was submitted in July 2017. Approval of the new PoO is anticipated in late 2018. The initial 2018 exploration program and budget at Black Pine is $0.23 million.

Kinsley

At Kinsley, we continue to believe the initial mineral resource estimate released in December 2015 represents only the beginning of the greater project potential. The 2018 exploration program contemplates the potential for a 2,250 m RC drill program, focusing on the Western Flank's eastern extension and the Secret Canyon Shale horizon. The initial 2018 exploration program and budget at Kinsley is $0.53 million, of which our share is $0.42 million.

EXPLORATION AND DEVELOPMENT PROJECTS – OVERALL PERFORMANCE

Liberty Gold's long term success in the Great Basin has been driven by acquiring projects, Goldstrike, Black Pine and Kinsley, that were historical heap leach gold mines in a US $300 to $350 gold market, 20 to 25 years ago. All projects were acquired with extensive historical exploration and mining data bases with large land holdings covering broad target areas over a district scale.

On February 8, 2018, the Company announced a maiden resource estimate at Goldstrike (Dip Slope, Peg Leg, Western zones, and Mineral Mountain). The Company also has delineated mineral resources at each of Kinsley (Western Flank), TV Tower (Küçükdağ) ("**KCD**") and Halilağa (Kestane)., The Company's Black Pine project and other targets on its property interests are early stage and do not contain any mineral resource estimates as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**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 our other projects is also summarized in our AIF and the respective NI 43-101 Technical Reports, and can be viewed under the Company's issuer profile on SEDAR at www.sedar.com.

Goldstrike (100% controller and operator)

Goldstrike was acquired in August 2014, and is the flagship exploration project for the Company. Goldstrike is a Carlin-style, sediment-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 sediment-hosted gold systems in the Great Basin of Nevada and Utah. Historical exploration and mining within the property culminated with the development of the Goldstrike mine, which from 1988 to 1996 produced oxidized disseminated-gold ore by heap-leach recovery from 11 open-pits. A total of about 210,000 ounces of gold and 198,000 ounces of silver were recovered from approximately 6.9 million tons of ore. The result is an extensive historical exploration and mining database, including a large number of shallow drill holes with unmined oxide gold intercepts, and numerous untested gold targets. The property totals 7,630 ha in size and currently includes 903 owned and leased federal lode claims on Bureau of Land Management land ("**BLM**") land, 43 leased patented claims and private parcels, and two Utah State leased parcels.

The 2017 RC drilling program began on February 1, 2017 and continued through to early December 2017, encompassing infill drilling for resource estimation in established zones. The receipt of the PoO in June of 2017 allowed the Company to expand drilling to test high-priority targets across the 74.5 km^2 property, including the Padre Pit area in the northeastern part of the Historic Mine Trend and other targets to the north and west of the Historic Mine Trend. A total of 45,811 m in 285 holes were drilled out of a total planned 50,000 m in 2017. From commencement of drilling in late 2015 through to the date of this MD&A, the Company has reported assay results from 476 RC drill holes and 10 core (metallurgical testing) drill holes.

For the year ended December 31, 2017, expenditures, including non-cash items, at Goldstrike totalled $6.55 million (year ended December 31, 2016: $4.44 million), including: drilling and assaying ($4.09 million), salaries ($1.04 million), land claim and lease payments ($0.32 million), analyses and surveys ($0.49 million), costs associated with the resource estimate and 43-101 technical report ($0.15 million) and other expenditures ($0.46 million). Total cash expenditures at Goldstrike of $6.31 million were $0.75 million less than budgeted (a total of $7.06 million budgeted for 2017) due primarily to lower RC drilling and assaying costs than anticipated following the addition of the third drill in June of 2017 (an average spend of $0.48 million per month in comparison to $0.63 million budgeted from June to November), offset by $0.15 million in RC drilling and assaying costs in December which were not budgeted for.

The results from phase one of the metallurgical testing were released in April 2017 and provided support for a simple heap leach run of mine scenario. Twenty column leach tests produced a weighted average of 85.9% gold extraction. The gold recoveries from 19 of these 20 column tests were rapid and >80% complete within 10 days, with final column leach recoveries ranging from 65% to 97%. Importantly, gold extraction was proven relatively insensitive to particle size, and can be projected out to 150 millimetres (mm) (6 inch) particle size, simulating run of mine conditions, without significant loss of gold recovery. Phase two of metallurgical testing is planned to be completed in 2018. Results from the drill program and initial phase of metallurgical testing confirmed and expanded mineralization and advanced the project to a maiden resource estimate.

The maiden resource estimate, effective February 8, 2018 and dated March 21, 2018, comprises a combination of 1,730 tightly-spaced drill holes, from historic drilling and Liberty Gold drilling, representing 153,000 metres of drilling in the Historic Mine Trend, and comprising the Main, Dip Slope, Peg Leg and Western zones, as well as the Mineral Mountain area. This has allowed for the resource estimate to have a high degree of confidence, as illustrated by over 75%, or 865,000 ounces, of the resource in the Indicated category, and 274,000 ounces in the Inferred category at a cut-off grade of 0.25 g/t Au.

The resource estimate for all mineralization types is shown in the cutoff grade-sensitivity table below. At higher cut-off grades, much of the resource is retained, potentially providing optionality in mine planning scenarios. The resource estimate provides a strong foundation on which to layer engineering and metallurgical studies. As most of the property remains unexplored or incompletely tested, including large areas extending from the Dip Slope zone in several directions, drilling to expand the resource in 2018 will commence in early April 2018.

Goldstrike Project Constrained Classified Mineral Resource & Cut-Off Grade Sensitivity Table[1]						
Cutoff (Au g/t)	Indicated			Inferred		
	Tonnes	Grade Au	Ounces Au	Tonnes	Grade Au	Ounces Au
	(1,000s)	(g/t)	(1,000s)	(1,000s)	(g/t)	(1,000s)
0.1	72,303	0.43	994	24,739	0.40	320
0.2	57,846	0.50	925	19,603	0.47	296
0.25	**49,553**	**0.54**	**865**	**16,443**	**0.52**	**274**
0.3	42,102	0.59	800	13,465	0.57	247
0.4	29,159	0.70	655	8,760	0.69	195
0.5	19,861	0.82	522	6,025	0.80	156
0.6	13,874	0.93	416	4,150	0.92	123
0.7	9,774	1.05	331	2,895	1.04	96

[1]The resource estimate was completed by James N. Gray, P.Geo. of Advantage Geoservices Ltd., an Independent Qualified Person as defined by 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. Further details of the estimation methods and procedures are available in the NI 43-101 technical report, co-authored and released by SRK Consulting Inc.(Canada). ("SRK"), filed on SEDAR (www.sedar.com) effective February 8, 2018 and dated March 21, 2018.

Geologic controls for resource estimation are based on the geologic interpretation provided by Liberty Gold. Gold mineralization is primarily associated with a series of steeply dipping normal-oblique fault zones as well as with a low-angle unconformity surface ("Control Surfaces"). Gold grades have been estimated by inverse distance squared (ID2) interpolation into 10 m^3 blocks. Sample selection during estimation is based on distance to the Control Surfaces and, in this way, reproduces the concentric or banded nature of fault zones and stratigraphic trends. Density has been applied at an average value of 2.52 t/m^3 based on 159 measurements carried out by Liberty on drill core.

The Mineral Resource estimate is supported by 1,730 holes, totaling 153.0 km that fall inside the limits of the block models. Samples were composited to the average sample length of 1.524 m (5 feet) prior to use in grade estimation; 102,264 composites are contained inside the modelled volume. Statistical evaluation of composite data by fault and stratigraphic zones led to the establishment of high-grade capping limits by control surface. In total, 349 composites were capped for use in resource estimation.

The Mineral Resource has been classified based on available drill data as well as by proximity to the interpreted geologic controls. Inferred Mineral Resource blocks are within 50 m of a sample or must be estimated by at least two holes. Indicated Mineral Resource blocks must lie within 40 m of sample data and must be estimated by at least three holes if within 40 m of a Control Surface or by at least two holes if within 30 m of a Control Surface.

Reasonable prospects of eventual economic extraction were established through the generation of Whittle optimized pit shells; all reported resource is contained within those shells. Optimization parameters were (in U.S. Dollars): $2.25/tonne (t) mining cost; $4.30/t processing and G&A cost (assuming Run of Mine Heap Leach operation); 50 degree pit slopes; and $1500/oz gold less $2.20 selling cost. An economic internal cut-off grade was estimated at 0.13 g/t Au. Based on on-going metallurgical studies, recovery was variable depending on head grade: Au ≥ 0.4 g/t - rec% = 0.8133*Au0.0677; Au < 0.4 g/t - rec% = 0.8491*Au0.1301. The Whittle pit model was produced by Grant Carlson, P. Eng. of SRK, an Independent Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects.

Drill samples were assayed by ALS Limited in Reno, Nevada for gold by Fire Assay of a 30 gram (1 assay ton) charge with an AA finish, or if over 5.0 g/t were re-assayed and completed with a gravimetric finish. For these samples, the gravimetric data were utilized in calculating gold intersections. For any samples assaying over 0.200 ppm an additional cyanide leach analysis is done where the sample is treated with a 0.25% NaCN solution and rolled for an hour. An aliquot of the final leach solution is then centrifuged and analyzed by AAS. Metallic screen techniques may be employed where the presence of coarse free gold is suspected. Approximately 1000 grams of coarse reject material are pulverized and screened. Two splits of the fine fraction are assayed, as well as all material that does not pass through the screen (the coarse fraction). The final gold assay reported is a weighted average of the coarse and fine fractions. QA/QC for all drill samples consists of the insertion and continual monitoring of numerous standards and blanks into the sample stream, and the collection of duplicate samples at random intervals within each batch. Selected holes are also analyzed for a 51 multi-element geochemical suite by ICP-MS. ALS Geochemistry-Reno is ISO 17025:2005 Accredited, with the Elko prep lab listed on the scope of accreditation.

Black Pine

The Black Pine property is a past-producing, heap leach gold mine located in southeastern Idaho, between Utah State Highway 30 and Interstate Highway 15. The property includes 400 federal lode claims, covering 3170 ha. It hosts a large, Carlin-style, sediment-hosted gold system, the surface footprint of which extends over an approximately 12 square kilometre area. Subsequent to the purchase of the property in June, 2016, the Company recovered a large historical digital database that includes drill data for 1,866 holes (191,481 m of drilling), as well as-mined topography, blast hole and other mining data, and 4,950 rock and soil samples. The drill hole data set includes collar and survey data, fire assay gold, acid-soluble gold and silver, rock type and alteration, and includes a large number of drill holes with unmined gold intercepts. Data compilation and verification has been largely completed, with a preliminary 3D model constructed.

A validation drill program commenced on November 9, 2017 and was completed in mid-December of 2017. A total of 2,077 m in 13 holes were drilled from five locations within a large, 12 square kilometer target area. Through 2017 to the date of this MD&A, the Company has reported assay results from 2 RC drill holes, with results pending from 11 other drill holes. Drilling results thus far have succeeded in validating historical results and, more importantly, demonstrated exceptional exploration upside beneath the limit of shallow historical drilling.

The Company submitted a new PoO in July, 2017 in order to facilitate drilling over virtually the entire surface footprint of alteration and mineralization. Approval of the new PoO is expected in late 2018. Until then, the Company continues to operate on a valid PoO inherited from the previous operator.

For the year ended December 31, 2017, expenditures at Black Pine totalled $0.68 million (year ended December 31, 2016: $0.15 million). Total cash expenditures at Black Pine of $0.60 million exceeded the original budget by $0.33 million (a total of $0.27 million budgeted for 2017), primarily due to an RC drilling program and associated assay costs in November 2017 that was not in the original budget.

Kinsley (79.1% owner and operator)

Kinsley is a Carlin-style, past-producing mine located south of Newmont Mining's Long Canyon deposit in northeast Nevada. Comprised of 513 claims on BLM land, and 5 leased patents totalling 4,187 ha, Kinsley has a stratigraphic, structural, and mineralization style similar to other sediment-hosted gold systems in the eastern Great Basin. Liberty Gold's interest in Kinsley is approximately 79.1%. Intor Resources Corporation ("Intor") holds the remaining 20.9% interest and funded its pro-rata share of expenditures in 2017.

An initial resource estimate on the property, effective October 15, 2015 and dated December 16, 2015, defines a high-grade zone at the Western Flank, along with a near-surface oxide zone in the vicinity of the historic mine. The Western Flank deposit remains open to the east and west.

Preliminary metallurgical testing of sulphide material from the Western Flank gold deposit, hosted in the Secret Canyon Shale, suggests that a marketable gold concentrate, grading up to 312 g/t Au, could be produced via flotation. Recoveries of up to 95% are achieved when combined with leaching of the tails. Initial metallurgical results from sulphide portions of the Dunderberg Shale (the primary host rock in the historical mining operation at Kinsley) yielded up to 83% gold recovery, producing concentrate grades of up to 52.3 g/t Au.

In July of 2017, the Company released results from 4 RC holes drilled at the Western Flank East Extension Target. The program was part of an ongoing effort to test 8 high-conviction targets and expand sparsely drilled targets at Kinsley. The program intersected significant gold mineralization, including 5.30 g/t Au over 29.0 m in PK221, and a follow-up program is planned for 2018.

For the year ended December 31, 2017, expenditures at Kinsley totalled $0.56 million (year ended December 31, 2016, $0.69 million), including Intor's 20.9% share (recognized in the Annual Financial Statements as a component of Non-Controlling Interest). Total cash expenditures at Kinsley of $0.38 million were in line with the $0.37 million budgeted for 2017.

TV Tower (60% owner and operator)

The 9,065 hectare TV Tower gold-silver-copper property is located in northwestern Turkey in a regional industrialized zone that includes base metal mines, large open pit coal mines, a major power plant, ceramics factories, and deep water ports.

Our interest in TV Tower is held through a 60% shareholding in Orta Truva Madencilik Sanayi ve Ticaret Anonim Şirketi ("**Orta Truva**"), the legal entity that holds title to the licenses that comprise the property. Teck Madencilik Sanayi Ticaret A.Ş. ("**TMST**"), a subsidiary of Teck Resources Limited ("**Teck**"), is our joint venture partner at TV Tower and holds the remaining 40% of Orta Truva. Each partner is funding its pro-rata share of exploration and development programs. We consolidate our interest in Orta Truva, with the full carrying value of the project reflected in our exploration properties and deferred exploration expenditures, and the carrying value ascribed to TMST's 40% interest in Orta Truva captured as a Non-Controlling Interest in the Annual Financial Statements.

To date, we have identified a contiguous area greater than 50km² of epithermal and porphyry-related alteration across this gold-silver-copper district, including a large silver-gold resource at the project's KCD deposit and three closely-situated copper-gold porphyries. The principal focus of the Company at TV Tower has been on i) the Kayalı-Karaayı zone at the southern end of the tenure, host to a largely contiguous, oxidized epithermal gold system stretching over four km east to west, and the Valley and Hilltop copper-gold porphyries, and ii) the KCD gold-silver deposit in the north. There remain multiple untested targets across the rest of the tenure. The Company received approved drilling permits in December 2016 providing the ability to drill test several identified high-conviction targets, and to carry out resource definition drilling on the property.

The initial 2018 budget at TV Tower is $1.00 million (our share: $0.60 million), and includes field exploration activities, permitting and tenure management costs, and community and social relations activities. Our share of expenditures for the year ended December 31, 2017 totalled $0.56 million (December 31, 2016: $0.53 million).

Halilağa (40% owner, non-operator)

The Halilağa property is located 15 km southeast of the Valley and Hilltop porphyries at TV Tower. The 8,866 hectare Halilağa property has road access and electrical grid power. Labour, supply centres and industrial service providers are available in the region. The deposit is located in favourable terrain and is characterized by high copper and gold grades at surface with little-to-no overburden. The Company's interest in Halilağa is held through a 40% shareholding in Truva Bakır Maden İşletmeleri A.Ş. ("**Truva Bakır**"). TMST is project operator and holds the remaining 60% of this Turkish entity.

A revised preliminary economic assessment (the "**Revised Halilağa PEA**") was released in January 2015. Within the preliminary parameters of a PEA, the Revised Halilağa PEA illustrates a robust, low strip, technically simple and scalable open-pit mine, utilizing conventional milling and flotation methods. The project requires modest up-front capital, demonstrates a rapid payback of initial capital, has low cash costs, and generates a strong after-tax IRR, and cash flow. The illustrative project, as outlined in the Revised Halilağa PEA, is relatively insensitive to changes in commodity and exchange rates, requires modest pre-production capital expenditure, and yields a payback period (after-tax) of 1.3 years. Although preliminary in nature and derived from broadly factored assumptions including $1,200/oz gold, $2.90/lb. copper, a 0.44 rate of exchange to the Turkish Lira, and a discount rate of 7%, the conceptual project in the Revised Halilağa PEA was designed to demonstrate the optimal development scenario for the deposit in the context of today's capital market conditions. Advancing Halilağa toward feasibility would require additional metallurgical testing, geotechnical drilling and resource definition drilling. We have developed a high-level program and illustrative budget that we expect would satisfy the requirements to make a feasibility decision and continue to discuss opportunities for the project with third-parties.

For the year ended December 31, 2017, our share of expenditures incurred at Halilağa was $0.17 million (year ended December 31, 2016: $0.05 million), against a total budget of $0.38 million for the same period. Expenditures reflect costs associated with permitting and tenure costs, ongoing community and social relations activities, certain field and desktop analyses and legal costs relating to the matter described in this MD&A.

NAME CHANGE

In order to better reflect our renewed focus on our US properties, the Company changed its name to Liberty Gold Corp. from Pilot Gold Inc. The Company's shareholders voted in favour of the change of the Company's name on May 9, 2017. Liberty Gold's common shares and certain common share purchase warrants are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "LGD" and "LGD.W", respectively.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

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 Audit Committee of the Company's Board of Directors (the "**Board**") approved the Annual Financial Statements and MD&A.

The Annual Financial Statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**"), taking into account certain exceptions as detailed under the section '*Change in accounting policy and restatement of comparatives*', for which comparative information has been restated.

Details of new accounting standards, effective for reporting periods beginning January 1, 2018 and January 1, 2019, are found in Note 6 of the Annual Financial Statements. In July 2014 the IASB released the final version of IFRS 9, *Financial Instruments* ("**IFRS 9**") covering classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement* ("**IAS 39**").

IFRS 9 applies to annual periods beginning on or after January 1, 2018, and requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in net earnings, unless this creates an accounting mismatch. The new standard also introduces a new impairment model, expanded disclosure requirements and changes in presentation for financial instruments.

The Company does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets, as the majority of its financial assets are currently measured at amortized cost and will continue to be measured on the same basis under IFRS 9. Although the Company's short term investments will no longer be classified as held to maturity, they will continue to be measured at amortized cost under IFRS 9. However, the Company's equity investments currently classified as available-for-sale and measured at fair value through other comprehensive income ("**FVOCI**") will be classified and measured at fair value through profit or loss under IFRS 9, as the irrevocable option was not exercised.

There will be no impact on the accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss, which the Company does not currently have.

The new impairment model requires the recognition of impairment provisions based on expected credit losses, rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortized cost, debt instruments measured at FVOCI, contract assets under IFRS 15 *Revenue from Contracts with Customers*, lease receivables, loan commitments and certain financial guarantee contracts. The Company estimates that the impairment provisions will have no material impact on cash and cash equivalents, receivables and deposits.

Change in accounting policy and restatement of comparatives

We have elected to change our accounting policy for exploration properties and deferred exploration expenditures, consistent with IFRS 6 – *Exploration for and Evaluation of Mineral Resources* and IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*, in order to enhance the relevance to the decision making needs of users of our financial statements and to provide comparability with our peers. In prior periods, the Company's policy was to defer exploration expenditures until such time as the properties are put into commercial production, sold or become impaired. The Company has elected to change this accounting policy to expense exploration expenditures as incurred, effective with the presentation of the March 31, 2017 unaudited condensed interim consolidated financial statements, on a retrospective basis.

The change in accounting policy required full retrospective application. IAS 1, *Presentation of Financial Statements* also required a third statement of financial position be presented. As at January 1, 2016 and December 31, 2016, the following adjustments were recorded to the consolidated statements of financial position:

At January 1, 2016:	**As previously reported** $ (000's)	**Effect of change of accounting policy** $ (000's)	**As currently reported** $ (000's)
Exploration and evaluation assets	76,647	(53,532)	23,115
Investment in Associates	5,221	(3,802)	1,417
Deferred tax liabilities	(475)	475	-
Net decrease in shareholders' equity		(43,840)	
Net decrease in non-controlling interest		(13,020)	

At December 31, 2016:	**As previously reported** $ (000's)	**Effect of change of accounting policy** $ (000's)	**As currently reported** $ (000's)
Exploration and evaluation assets	83,677	(59,658)	24,019
Investment in Associates	5,421	(4,007)	1,414
Deferred tax liabilities	(1,157)	657	(500)
Net decrease in shareholders' equity		(49,901)	
Net decrease in non-controlling interest		(13,456)	

As at December 31, 2017, the change in accounting policy had the following impact on the consolidated statement of financial position:

At December 31, 2017:	**Under previous accounting policy** $ (000's)	**Effect of change of accounting policy** $ (000's)	**As currently reported** $ (000's)
Exploration and evaluation assets	92,386	(68,404)	23,982
Investment in Associates	5,856	(4,330)	1,526
Deferred tax liabilities	(1,397)	851	546
Net decrease in shareholders' equity		(58,724)	
Net decrease in non-controlling interest		(13,895)	

For the years ended December 31, 2016 and December 31, 2017, the following adjustments were recorded to the consolidated statement of loss:

Year ended December 31, 2016: (000's except for per share amounts)	As previously reported $	Effect of change of accounting policy $	As currently reported $
Exploration and evaluation expenditures	332	6,229	6,561
Other income	(300)	(113)	(413)
Loss (gain) from associates	13	88	101
Deferred tax expense (recovery)	682	(182)	500
Net increase in overall loss attributable to:			
Shareholders		5,586	
Non-controlling interests		436	
		6,022	
Exchange differences on translations	500	(126)	374
Net increase in total loss and comprehensive loss attributable to:			
Shareholders		5,712	
Non-controlling interests		436	
		6,148	
Basic and diluted loss per share	$0.04	$0.05	$0.09

Year ended December 31, 2017: (000's except for per share amounts)	Under previous accounting policy $	Effect of change of accounting policy $	As currently reported $
Exploration and evaluation expenditures	66	8,722	8,788
Loss (gain) from associates	83	40	123
Deferred tax expense (recovery)	240	(194)	46
Net increase in overall loss attributable to:			
Shareholders		8,129	
Non-controlling interests		439	
		8,568	
Exchange differences on translations	897	(307)	590
Net increase in total loss and comprehensive loss attributable to:			
Shareholders		8,436	
Non-controlling interests		439	
		8,875	
Basic and diluted loss per share	$0.03	$0.06	$0.08

Management has determined that Liberty Gold Corp. has a C$ functional currency because 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 for 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 years ended December 31, 2017, 2016 and 2015 respectively:

	2017	2016	2015
Total revenues	-$nil	-$nil	-$nil
Net loss for the year and attributable to shareholders	$12.71	$11.16	$8.87
Basic and diluted loss per share and attributable to shareholders	$0.08	$0.09	$0.08

Year ended December 31, 2017 vs. year ended December 31, 2016

Losses from operations for the year ended December 31, 2017 of $12.71 million were higher than the $11.40 million in losses incurred in the comparative period, due primarily to additional exploration and investor relations, promotion and advertising expenditures, offset by decreases in wages and benefits, stock based compensation, professional fees and office and general costs. The largest contributors to the loss during the year ended December 31, 2017 are exploration and evaluation expenditures, wages and benefits, office and general and non-cash stock based compensation costs which combined comprise $11.73 million of the overall loss; these same four categories are the largest contributors to the loss for the year ended December 31, 2016 (combined $10.54 million).

There was an additional $0.09 million contribution to the loss during the year ended December 31, 2017 due to the recognition of accumulated losses in other comprehensive income, in the statement of loss, on impairment of certain of our available for sale ("**AFS**") investments.

As a result of Logan Resources Inc.'s ("**Logan**") election to earn a 51% interest in the Company's Brik, Easter, Antelope and Viper properties (the "**Selected Properties**") under the Option Agreement (the "**Option Agreement**") during the year ended December 31, 2017, a loss of $0.04 million was also recognized with a corresponding decrease in exploration and evaluation assets to reflect the de-recognition for Logan's ownership interest in the Selected Properties.

Net cash operating outflows were $11.12 million in the year ended December 31, 2017, compared to $9.21 million in the comparative year, mainly due to higher exploration expenditures in the current period.

Actual cash expenditures of $11.43 million for the year ended December 31, 2017, were $0.55 million less than budgeted (a total of $11.98 million) primarily due to RC drilling and assaying costs at Goldstrike which were $0.75 million less than anticipated, offset by RC drilling and assaying costs of $0.24 million associated with Black Pine's November 2017 drill program.

Exploration and evaluation expenditures

Exploration and evaluation expenditures during the year ended December 31, 2017 totalled $8.79 million compared to $6.56 million during the comparative period in 2016. The increase primarily reflects expenditures at our Goldstrike and Black Pine properties of $6.55 million and $0.68 million, respectively, as a result of our increased drilling activity in 2017 relative to the same period in 2016, during which time $4.44 million and $0.15 million, respectively, was spent.

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**").

Primarily as a result of bonuses and severance payments paid during the period ended December 31, 2016 which were not paid in the current year, wages and benefits decreased by $0.58 million to $1.21 million (December 31, 2016: $1.79 million).

A significant portion of our remuneration costs are included in exploration expenditures based on the nature of work undertaken in that period. Wages and benefits included under this heading in our statement of loss reflect only those costs not attributable to exploration and evaluation expenditures and totalled $1.51 million in the year ended December 31, 2017 (2016: $1.31 million).

Office and General

Office and general expenditures for the year ended December 31, 2017 of $1.08 million are lower than the 2016 comparative period ($1.17 million), due primarily to a decrease in directors' fees, insurance, rent, travel, recruitment costs and lower administrative expenditures at our office in Turkey; the decrease was partially offset by consulting fees that were not incurred in 2016.

Investor relations, promotion and advertising

In the year ended December 31, 2017, $0.54 million in investor relations, promotion and advertising expenditures were made compared to $0.27 million in the comparative period in 2016, reflecting the cost of the Company's re-branding and re-naming.

Stock-based compensation

The expense reflects (i) the relative value of grants of employee stock options ("**Options**") to purchase common shares of the Corporation ("**Common Shares**"), Restricted Share Units ("**RSUs**") and Deferred Share Units ("**DSUs**") during the year ended December 31, 2017, and (ii) the diminishing impact of Options 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 DSUs are granted in a period, and the timing of vesting or cancellation of such equity instruments.

Stock-based compensation expense for the year ended December 31, 2017, totaled $0.65 million (December 31, 2016: $1.01 million). The total expense is lower than in the comparative period due to two significant stock based compensation grants in 2016 (4,482,500 and 4,393,750 in March and December 2016, respectively) as compared to one significant grant in 2017 (1,653,000 in December 2017) and a lower fair value on issue for the 2017 grant, offset by an increase in RSUs granted in 2017, as well as the vesting of Options issued in prior years. These amounts do not include values recorded as part of exploration and evaluation expenditures ($0.28 million in the year ended December 31, 2017 and $0.20 million in the year ended December 31, 2016).

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.

Other income and expenses

In the year ended December 31, 2017 the Company recorded other expenses (net) of $0.52 million as compared to $0.12 million in the year ended December 31, 2016.

The main contributor to the change over the comparative period was the recognition of other expenses of $0.01 million during the year ended December 31, 2017, compared to other income of $0.41 million in the same period in 2016. The decrease in other income during the 2017 fiscal year is primarily attributable to the receipt of a tax abatement credit of $0.06 million in Turkey, and cash consideration of $0.33 million associated with the Logan Option Agreement during the year ended December 31, 2016, which were not received in 2017. The net gain recognized on sales of certain of our AFS investments also contributed to the difference, as it decreased from $0.24 million for the year ended December 31, 2016 to $0.13 million for the year ended December 31, 2017. These increases in other expenses were offset by a decrease in foreign exchange losses to $0.34 million in the year ended December 31, 2017, compared to $0.54 million in the year ended December 31, 2016.

Other comprehensive loss

The net balance of other comprehensive loss consists of the impact of exchange gains and losses from the translation of our foreign operations with a non-USD functional currency, fair value gains and losses on our unimpaired AFS financial assets and fair value gains on our impaired AFS financial assets, as well as amounts reclassified into net loss from other comprehensive loss upon impairment or sale of our AFS financial assets. Net fair value gains were $0.11 million for the year ended December 31, 2017, as compared to gains of $0.26 million in the comparative period in 2016.

The Canadian dollar appreciated 7.0% relative to the value of the USD in the period between January 1, 2017 and December 31, 2017 (during the same period of the comparative year it appreciated 4.0%). As a result, for the year ended December 31, 2017, the impact of foreign exchange was gains of $0.59 million (December 31, 2016: $0.37 million). The impact from exchange differences will vary period to period depending on the rate of exchange.

Year ended December 31, 2016 vs. year ended December 31, 2015

The largest contributions to the loss in each of the years ended December 31, 2016 and December 31, 2015 were exploration expenditures, wages and benefits, and office and general costs comprising $9.53 million and $8.41 million of the loss, respectively.

Actual cash expenditures of $9.96 million for the year ended December 31, 2016, were $0.45 million less than budgeted (a total of $10.41 million) due mainly to expenditures at Goldstrike, Halilağa and TV Tower which were under budget by $0.35 million, $0.25 million and $0.17 million, respectively, offset by general and administrative expenditures which exceeded the budget by $0.33 million.

Cash expenditures at Goldstrike were less than budgeted due mainly to lower RC drilling and geology costs of $0.41 million. Costs at TV Tower were also less than budgeted due to permitting and licensing fees which were $0.28 million less than anticipated ($0.17 million for our 60% share). Actual costs at Halilağa were less than budgeted due to lower property expenditures. General and administrative expenditures were significantly higher than budgeted mainly as a result of professional fees associated with the 2016 financing and an unbudgeted bonus that was paid out.

Exploration and evaluation expenditures

Exploration and evaluation expenditures during the year ended December 31, 2016 totalled $6.56 million compared to $5.56 million during the comparative period in 2015. The increase primarily reflects expenditures at our Goldstrike property of $4.44 million, as it was our main focus in 2016, compared to the year ended December 31, 2015 when we spent $1.03 million at Goldstrike, $1.70 million at Kinsley and $2.4 million at the TV Tower property.

Wages and benefits

Despite having fewer employees at the end of 2016 than at the end of 2015, wages and benefits expense in the year ended December 31, 2016 was $1.79 million, in comparison to $1.72 million for the year ended December 31, 2015. Wages and benefits in the year ended December 31, 2016 included severance payments and bonuses paid in December, neither of which were incurred in 2015.

Office and General

Office and general expenditures for the year ended December 31, 2016 of $1.17 million are marginally higher than in the 2015 comparative period ($1.13 million), due to an increase in directors' fees, and from having incurred recruitment costs in 2016. The increase was offset by lower administrative costs at our office in Turkey.

Stock-based compensation

Stock-based compensation expense for the year ended December 31, 2016, totaled $1.01 million (December 31, 2015: $0.99 million). The total expense is approximately in line with the comparative period despite two stock based compensation grants in 2016 as compared to one in 2015, as a result of a lower fair value on issue and the vesting of Options issued in prior years.

Other income and expenses

In the year ended December 31, 2016 the Company recorded other expenses (net) of $0.12 million as compared to $0.13 million in the year ended December 31, 2015.

The main contributor to the change over the comparative period was foreign exchange on our USD cash balances in our companies with foreign functional currencies, and the Turkish entities with USD functional currencies and Turkish Lira accounting records. Although the USD slowed its depreciation relative to the Canadian dollar in 2016, the value of the Lira continued to fall. The impact of which resulted in $0.54 million in losses in the year ended December 31, 2016, as compared to $0.28 million in gains in the year ended December 31, 2015. The change in fair value of our AFS financial assets for the year ended December 31, 2016 contributed losses of $0.19 million (December 31, 2015 $0.15 million). These losses in 2016 were offset by $0.33 million received as part of the Logan Option Agreement on three properties that had previously been impaired (included in other net income), and a $0.24 million net gain on sale of AFS financial assets.

Other comprehensive loss

For the year ended December 31, 2016 the impact of foreign exchange was a gain of $0.37 million, (year ended December 31 2015: losses of $3.61 million). The Canadian dollar appreciated 4.0% relative to the value of the USD in the period between January 1, 2016 and December 31, 2016 (15% depreciation during the same period of the comparative year). Net fair value gains on our AFS financial assets were $0.26 million in the year ended December 31, 2016, as compared to $0.01 million in the year ended December 31, 2015.

Financial Position

The following financial data (in $ millions) are derived from our consolidated financial statements as at December 31, 2017, December 31, 2016 and December 31, 2015:

	December 31, 2017	December 31, 2016 restated [1]	December 31, 2015 restated [1]
Total assets	$30.01	$40.88	$36.39
Non-current financial liabilities	$0.70	$0.58	$0.13
Cash dividends declared	$nil	$nil	$nil

[1]Comparative periods restated for the change in accounting policy as discussed in the section '*Change in accounting policy and restatement of comparatives'*.

Total assets

The $10.87 million decrease in total assets as at December 31, 2017 compared to December 31, 2016 reflects cash expenditures including primarily, exploration and evaluation expenditures, wages and salaries, office and general and investor relations, promotions and advertising costs of $11.62 million in aggregate, offset by the receipt of a $0.50 million VAT receivable in Turkey. These decreases were also offset by exercises of share based payments and warrants of $0.27 million and contributions from non-controlling interests of $0.34 million during the year ended December 31, 2017.

The $4.49 million increase in total assets as at December 31, 2016 compared to December 31, 2015 reflects the net receipt of $9.91 million from the 2016 Bought-Deal, $3.30 million from the 2016 Private Placement and the receipt of $0.38 million in Logan common shares as part of the Logan Option Agreement, offset by cash expenditures including primarily, exploration and evaluation expenditures, wages and salaries, office and general, investor relations costs and professional fees of $9.60 million, in aggregate.

Non-current financial liabilities

At December 31, 2017, and December 31, 2016, our non-current liabilities include (i) reclamation work to be performed on exploration properties, and (ii) 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. The increase in non-current liabilities in 2017 over 2016 is due primarily to an additional reclamation liability of $0.06 million related to the Company's Kinsley property. As at December 31, 2017, a deferred tax liability of $0.55 million was recognised in Orta Truva (December 31, 2016: $0.50 million), arising from foreign exchange on the tax basis of our assets held in Turkey. This is not classified as a financial liability.

Shareholders' equity

On January 26, 2018 the Company closed the 2018 Bought-Deal financing with a syndicate of underwriters (the "**Underwriters**") whereby the Underwriters purchased, on a bought-deal basis, 24,938,426 units of the Company ("**Bought-Deal Unit**") consisting of one Common Share and one half Common Share purchase warrant (each whole Common Share purchase warrant, a "**Bought-Deal Warrant**"), at a price of C$0.42 per Bought-Deal Unit for gross proceeds to the Company of $8.44 million (C$10.47 million). Each Bought-Deal Warrant will entitle the holder to acquire one Common Share at a price of C$0.65 until January 25, 2021.

On July 10, 2017 a total of 121,916 Common Shares were issued towards lease payments on the Goldstrike property, with a total fair value of $0.04 million. In addition, on August 8, 2017, a total of 150,000 Common Shares were issued pursuant to a consulting service agreement, with a fair value of C$0.45 per Common Share, totalling $0.05 million.

The weighted average fair value of Options granted during the year ended December 31, 2017, determined using Black-Scholes, was C$0.26 per Option. The weighted average significant inputs into the model included a share price of C$0.48 at the grant date, an exercise price of C$0.48, a volatility of 63%, a dividend yield of 0%, an expected Option life of 5 years and an annual risk-free interest rate of 1.55%. A 3.7% forfeiture rate was applied to the Option expense. During the year ended December 31, 2017, a total of 1,398,333 fully vested Options expired and a further 779,167 were forfeit or cancelled.

In the year ended December 31, 2017 the Company granted 1,323,000 RSUs and 350,000 DSUs, with fair values of C$0.47. In the same period a total of 134,345 RSUs were forfeited or cancelled and 66,865 RSUs were exercised.

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 in accordance with IFRS and is derived from, and should be read in conjunction with, our Annual Financial Statements and the interim condensed consolidated financial statements for each of the past eight quarters. Consistent with the preparation and presentation in our Annual Financial Statements, unaudited quarterly results are presented in USD. The determination of functional currency for the Company and each of its subsidiaries and associates is that which is disclosed in the consolidated Annual Financial Statements.

Condensed consolidated statements of loss and comprehensive income (loss)[6]

	Dec 31 2017	Sep 30 2017	Jun 30 2017	Mar 31 2017	Dec 31 2016 restated[1]	Sep 30 2016 restated[1]	Jun 30 2016 restated[1]	Mar 31 2016 restated[1]
Loss attributable to the shareholders								
Loss for the period	(3,639)	(3,505)	(3,131)	(2,434)	(4,206)	(1,877)	(2,766)	(2,312)
Exchange differences on translating foreign operations	(62)	336	195	121	(115)	(62)	-	551
Net value gain (loss) on financial assets and amounts reclassified into net loss on impairment or sale	(12)	2	3	2	(237)	93	239	86
Basic and diluted loss per share	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)	(0.02)	(0.02)	(0.02)

[1]Comparative periods restated for the change in accounting policy as discussed in the section '*Change in accounting policy and restatement of comparatives'*.

Exploration expenditures of $2.45 million, wages and benefits of $0.30 million and office and general costs of $0.26 million and stock based compensation expense of $0.34 million, were the largest contributors to the loss during the three months ended December 31, 2017. In comparison to the previous quarter, stock based compensation expense was also one of the largest contributors to the loss as a result of the December grant of Options, DSUs and RSUs, 775,000 of which vested immediately, along with a $0.13 million increase in income tax expense. These increases to the loss were offset by lower exploration and evaluation expenditures as a result of fewer drills operating at Goldstrike as the drilling program moved towards completion in December 2017, and a $0.11 million decrease in investor relations, promotion and advertising costs following completion of the final phase of the Company's rebranding and renaming during the three months ended September 30, 2017.

The quarter ended September 30, 2017, showed higher losses over the previous quarter due primarily to the increased drilling activity at our Goldstrike property following the addition of the third drill in June. In addition to the $0.39 million increase in exploration and evaluation expenditures, a change in fair value of AFS investments of $0.27 million also contributed to the loss. A decrease in the income tax recovery of $0.19 million was the third largest contributor to the loss, reflecting foreign currency fluctuations on our assets in Turkey. These increases were offset by lower office and general expenditures of $0.09 million and foreign exchange losses of $0.06 million during the three month period, than in the previous quarter.

In the three months ended June 30, 2017, losses were greater than in the previous quarter primarily due to a $0.94 million increase in exploration and evaluation expenditures as a result of new permits at TV Tower, fair value losses of $0.16 million and an impairment of $0.09 million, relating to certain of our AFS investments and mark to market losses recognized on our other AFS investments respectively. Other significant contributions to the loss in the three months ended June 30, 2017, were wages and benefits of $0.28 million, office and general of $0.32 million.

The largest contributors to the loss for the three months ended March 31, 2017, were exploration and evaluation expenditures of $1.36 million, wages and benefits of $0.33 million, and office and general of $0.26

[6] The Company has revised the table for its previously reported unaudited condensed consolidated interim financial statements to correct amounts included in loss attributed to shareholders that should have been included in loss attributable to non-controlling interests. The changes had no impact on the total loss for the period.

million. These expenditures were all lower than in the previous period by $0.73 million collectively, due to greater drilling activity and bonuses paid in the three months ended December 31, 2016.

At $1.92 million, exploration and evaluation expenditures were the largest contributor to the loss in the three months ended December 31, 2016. Reflecting the grant of Options, RSUs and DSUs in December 2016, of which 1.4 million, 0.30 million and 0.45 million respectively, vested immediately, the next largest contributor was non-cash stock based compensation of $0.61 million. The deferred tax expense, resulting from foreign exchange effects on our assets in Turkey, contributed $0.50 million to the loss in the three months ended December 31, 2016, due to a 14% movement in the Turkish Lira against the USD over that period. Wages and benefits and office and general expenses of $0.47 million and $0.28 million respectively, were the next largest contributors. Non-cash, foreign exchange losses and losses on the fair value of financial instruments contributed a further $0.35 million collectively.

The largest contributors to the loss for the three months ended September 30, 2016 were exploration and evaluation expenditures of $1.54 million, wages and benefits of $0.34 million, office and general costs of $0.26 million, and professional fees of $0.13 million, as well as the non-cash impact from foreign exchange of $0.15 million. These losses are offset by $0.33 million, recognised in the statement of loss, in cash and shares received as part of the Logan Option Agreement, in excess of capitalised acquisition costs on certain exploration and evaluation assets, and a net gain on sale of $0.13 million of certain of our AFS financial assets. Lower staff numbers and foreign exchange losses contribute to the overall loss not being as great as in previous quarters.

The loss for the three months ended June 30, 2016 is composed primarily of exploration and evaluation expenditures of $2.02 million, higher than in other quarters due to increased exploration activity, wages and salaries of $0.45 million, office and general costs of $0.24 million, offset by net gains on the sale of available for sale investments of $0.09 million.

The loss for the three months ended March 31, 2016 is composed primarily of exploration and evaluation expenditures of $0.82 million, wages and salaries of $0.53 million, office and general costs of $0.39 million and non-cash stock based compensation expense of $0.29 million, which led to higher losses than in previous quarters due to the termination pay of some Turkish employees, resulting in an overall net cash operating outflow of $2.05 million.

FOURTH QUARTER

During the three months ended December 31, 2017, there were net cash outflows of $2.89 million primarily attributable to cash outflows of $3.27 million from operating activities reflecting exploration and evaluation expenditures, wages and benefits and investor relations, promotion and advertising costs, and $0.06 million in investing activities as a result of increased funding to associates and additional surety bond collateral. These cash outflows were offset by $0.39 million in cash inflows from financing activities as a result contributions from non-controlling interests, the exercise of share based payment awards, and $0.06 million in foreign exchange effects.

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. O'Dea, and Messrs. McInnes and Tetzlaff). Pursuant to the Oxygen Agreement, Oxygen provides the Company, on a cost-recovery basis, the following services, 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 time spent 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. On

April 4, 2017 the Company appointed a new Chief Financial Officer, who is an employee of Oxygen, and whose salary and applicable benefits will continue to be paid by the Company under the same terms as other Oxygen personnel.

Transactions with Oxygen during the year ended December 31, 2017 totalled $0.55 million, and are reflected in the Annual Financial Statements. As at December 31, 2017, the Company held a payable to Oxygen of $0.12 million (paid subsequent to period end) and a deposit of $0.13 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, the VP Exploration & Geoscience, the Chief Financial Officer & Corporate Secretary, and the Turkish Country Manager. As at the date of this MD&A $0.07 million is payable to the Chief Executive Officer relating to deferred salary costs. As at December 31, 2017 there were no deferred salary costs.

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

	Year ended December 31, 2017	2016
Salaries, bonuses and other short-term employee benefits	$ 1.04 million	$ 1.09 million
Share-based payments	0.56 million	1.06 million
Total	**$ 1.60 million**	**$ 2.16 million**

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, management fees from joint venture projects at which we are the operator, 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, including cash contributed by our partners at Kinsley and TV Tower for use in accordance with preliminary budgets at each property, the Company has approximately $8.08 million available in cash, cash equivalents, and short-term investments. Our global budget, including exploration and administration for 2018, is approximately $9.02 million. We currently anticipate spending approximately $4.12 million at Goldstrike, $0.42 million at Kinsley, $0.23 million at Black Pine, $0.60 million at TV Tower, and approximately $0.29 million at Halilağa. Budgeted general and administrative costs of $3.30 million include salaries, professional fees and those costs associated with running the Company's offices in Vancouver, Nevada and Turkey as well as for investment in equipment and review of new opportunities.

With no debt, the Company's working capital balance as at the date of this MD&A is approximately $7.84 million. 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, in aggregate with the net proceeds of the 2018 Bought-Deal, are sufficient for current operations for at least one year, assuming no other factors change and with appropriate liquidity management.

2016 Bought-Deal

The successful closing of the 2016 Bought-Deal provided capital to advance our planned exploration programs at Goldstrike, Kinsley and our other mineral property interests through 2017. Recent improvement in commodity prices and capital market conditions for mining and metals companies, and our past history of raising sufficient capital to carry out our plans give management confidence in our ability to raise additional funds when needed. The approximate use of proceeds from the 2016 Bought-Deal through the end of 2017, with reference to the balance of cash and short term investments at the time, is outlined in the Company's short form prospectus dated November 9, 2016, and reproduced below:

Activity or Nature of Expenditure	Approximate Use of Net Proceeds
Exploration and Development of Goldstrike	$6.74 million
Exploration and Development of Kinsley	$1.03 million
Exploration and Development of Black Pine	$0.75 million
Working Capital	$1.45 million
Total	**$9.97 million**

Expenditures subsequent to closing the 2016 Bought-Deal through December 31, 2017 were consistent with the forecast above.

2018 Bought-Deal

The successful closing of the 2018 Bought-Deal provided capital to advance our planned exploration programs at Goldstrike, Black Pine and our other mineral property interests through 2018. Recent improvement in commodity prices and capital market conditions for mining and metals companies, and our past history of raising sufficient capital to carry out our plans, give management confidence in our ability to raise additional funds when needed. The approximate use of proceeds from the 2018 Bought-Deal through to the end of 2018 is consistent with the budgeted figures stated under the section entitled Outlook.

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 in funding the 2018 Program and Budget for each project, the Company must incur its pro rata share of the approved budgets for Kinsley and TV Tower; approved budgets for fiscal 2018 are $0.42 million and $0.60 million, respectively.

Advance Royalty Payments & Minimum Annual Exploration Expenditures

In accordance with certain underlying lease agreements, we are required to maintain the associated lease agreements in good standing and make advance royalty payments ("**ARPs**") to the underlying property owners of the Kinsley and Antelope projects:

Year	Kinsley[b]	Antelope[b]
2018	100,000	60,000
2019	150,000	60,000
2020 and beyond	200,000	60,000

[a]Payable to Nevada Sunrise, LLC ("**NSL**"), a private company, unrelated to Intor.

[b]Under option to Logan pursuant to the Logan Option Agreement

The aggregate advance ARPs on each respective property will subsequently be credited against future Net Smelter Royalty payments payable from production at the respective property. We are also required to make minimum annual exploration expenditures at certain of our exploration properties. The Company has met, and continues to incur all such minimum expenditure commitments at the date of this MD&A. Expenditures relating to the Antelope property, however, will be paid directly by Logan as a result of the additional earn-in completed during the year ended December 31, 2017.

Although the annual payments are commitments to the Company, as long as we continue to hold these properties, it is not currently possible to make a reliable estimate of the obligation such that a provision can be made. Pursuant to the underlying lease agreements, the Company has the right to terminate the lease by giving thirty days advance notice and returning the Company's interest in the property to underlying property holder.

In August 2016, the lease agreement providing access to the Drum property was amended to include a commitment to spend $0.75 million on that property by December 31, 2017, and for each year thereafter, though only the first minimum expenditure requirement is a commitment. On December 20, 2017, the Company entered into an Agreement (the "**Termination Agreement**") with Golden Dragon Capital LLC ("**Golden Dragon**") to terminate the January 1, 2013 and subsequently amended, Mining Lease and Option to Purchase associated with the Drum property. Pursuant to the Termination Agreement, the Company made the final royalty payment of $0.08 million on December 21, 2017 and issued 400,000 Common Shares to Golden Dragon on January 8, 2018 with a fair value of C$0.45 per Common Share, totalling $0.15 million.

Leases

The Company has entered into operating leases 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 the market rate. Office premises and other operating leases in Canada are paid to Oxygen, pursuant to the Oxygen Agreement. These amounts, as pertaining to non-cancellable leases, are included in the table below. The aggregate lease expenditure related to Liberty Gold's office premises charged to the statement of loss for the year ended December 31, 2017 is $0.15 million (see also in this MD&A, "**Related Party Transactions**").

Total future minimum lease payments, under non-cancellable operating leases as at December 31, 2017 are:

Year	
2018	$ 0.21 million
2019	0.20 million
2020	0.20 million
2021	0.21 million
2022+	0.30 million
	$ 1.13 million

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

Indemnifications

As described in our AIF, Liberty Gold is party to certain agreements giving rise to certain indemnifications for losses suffered or incurred by the counterparty to such agreements. There have been no claims or notices in regard to any such indemnifications. Liberty Gold remained liable under certain of these indemnifications until April 6, 2017; however, those indemnifications in respect of claims for taxes remain in place until 60 days after the end of the relevant statutory limitation period.

Surety Bonds

In November 2016, the Company entered into an agreement with a third-party to replace $0.95 million of its existing bonding deposits in the United States with surety bonds of the same amount. The bonds are held in favour of the BLM and the United States Forestry Service (the "**USFS**") as financial support for environmental reclamation and exploration permitting. The surety bonds are secured by a $1.52 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 securities in exploration companies, is $0.35 million.

Off Balance Sheet Arrangements

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

LEGAL MATTERS

Environmental Impact Assessments - Halilağa and TV Tower (update)

In June 2017, an appeal was made to the Turkish Council of State (the "**Danıştay**", or "**Supreme Court**") against the May 2017 Çanakkale Administrative Court (the "**Çanakkale Court**") decision to approve the validity of previously received and approved Environmental Impact Assessment ("**EIA**") reports for Halilağa and TV Tower filed with the Turkish Ministry of Environment and Urbanism. In November 2017, the Danıştay rejected this latest appeal and declared that no further appeals against the validity of these EIAs could be made.

Two additional challenges to the Ministry's approval of new EIAs elsewhere on the TV Tower property were raised in Q4 2016. The nature of the claim is similar to that of the previous EIA challenges. The Çanakkale Court is currently reviewing the case.

Liberty Gold does not believe there to be any threat to the validity of tenure, nor any legal impediment to prevent ongoing exploration activities outside of the EIA-contemplated areas as a consequence of the EIA challenges.

With the exception of the EIA-related challenges, 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 judgements, estimates, and assumptions that affect the reported amounts of assets, liabilities, and expenses. Factors that could affect these estimates are discussed in our AIF, under the heading, "*Risk Factors*". Subject to the impact of such risks, the carrying value of Liberty Gold's financial assets and liabilities approximates their estimated fair value.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, 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 judgements 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 investment interests in associates and the carrying value of its exploration and evaluation assets. Indications of impairments for these assets include judgement on whether exploration and exploration rights will continue to be funded and if the projects are commercially viable.

Recoverability of the carrying amount of Liberty Gold's exploration property interests is dependent on successful development and commercial exploitation or, alternatively, sale of the respective assets. Changes in any of the assumptions used to determine impairment testing could materially affect the result of this analysis.

Management did not identify any indicators of impairment on the Company's assets in the year ended December 31, 2017. Significant classes of assets reviewed for recoverability and impairment include the following:

a. 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 exploitation 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.

b. Investment in associate

Recoverability of the carrying amount of Liberty Gold's interest in its associate in Turkey is dependent on successful development and commercial exploitation, or alternatively, sale of Halilağa. Changes in any of the assumptions used to determine impairment testing could materially affect the result of this analysis.

Estimates and assumptions

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

i) Exploration and evaluation assets and expenditures

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

The publication of a resource pursuant to National Instrument 43-101, Standards of Disclosure for Mineral Projects, is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates 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 that the recovery of such 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.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial assets and liabilities are recognized when Liberty Gold becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and Liberty Gold has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, we classify financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges.
Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of loss. Gains and losses arising from changes in fair value are presented in the statement of loss within other gains and losses in the period in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond 12 months of the balance sheet date, which is classified as non-current.

(ii) Available-for-sale investments: AFS investments are non-derivatives that are either designated in this category or not classified in any of the other categories. AFS investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income (loss). AFS investments are classified as non-current, unless the investment matures within 12 months, or management expects to dispose of them within 12 months. Liberty Gold has classified certain of its long-term investments in this category.

Dividends on AFS equity instruments are recognized in the statement of loss as part of other gains and losses when Liberty Gold's right to receive payment is established. When an AFS investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income (loss) to the statement of loss and included in other gains and losses.

(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', 'Cash', and 'Deposits', the former two are included in current assets due to their short-term nature, the latter in long term assets. 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 using the effective interest method less a provision for impairment.

(iv) Held to maturity: Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. They are measured at amortized cost less any allowance for impairment. Amortization of premiums or discounts and losses due to impairment are included in current period income (loss). Liberty Gold's short term investments are in this category.

(v) Financial liabilities at amortized cost: Financial liabilities at amortized cost include trade payables and accrued liabilities. Trade payables 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, trade payables are measured at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within 12 months. Otherwise, they are presented as non-current liabilities.

Risks Associated With Financial Instruments

We are exposed in 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, we have raised funds entirely in C$. The majority of our mineral property expenditures, including cash calls from our partner on Halilağa are incurred in USD. The fluctuation of the C$ 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 $.

A 1% increase or decrease in the exchange rate of the USD relative to the C$ would result in a $0.01 million increase or decrease respectively in the Company's cash and short-term investment balance. 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 balance. A significant strengthening in the value of the TL compared to the USD could adversely impact the economics associated with Halilağa.

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. Liberty Gold's credit risk is primarily attributable to its liquid financial assets. We limit exposure to credit risk and liquid financial assets 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.

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.

OUTSTANDING SHARE DATA

There are 151,230,559 Common Shares and 19,890,000 Warrants issued and outstanding as at December 31, 2017, and 176,906,048 Common Shares and 12,017,500 Warrants issued and outstanding as at the date of this MD&A.

As at December 31, 2017 there were 11,541,250 Options outstanding issued to directors, officers, employees, and key consultants of the Company. Of the total number of Options granted, 6,183,417 are exercisable as at December 31, 2017. As at the date of this MD&A there were 11,476,250 Options outstanding of which 6,994,083 are exercisable.

As at December 31, 2017, there were 2,259,643 RSUs outstanding issued pursuant to the Company's RSU plan, of which 572,998 were exercisable, and 1,208,000 DSUs outstanding issued pursuant to the Company's DSU plan. As at the date of this MD&A there were 2,222,580 RSUs outstanding issued pursuant to the Company's RSU plan, of which 633,329 were exercisable, and 1,208,000 DSUs outstanding issued 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 continuing discussions with Teck and various third-parties to unlock the value and potential of our 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, 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.

More specifically, 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. Further, the continued strength of the

USD (the currency in which the Company incurs the majority of its operating costs) against the C$ (the currency in which Liberty Gold has historically raised capital) impacts the rate at which the Company's treasury is consumed.

The specific risks noted in our AIF, the recent political unrest in Turkey, 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.

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 the Company's risks and uncertainties is set out in our AIF. The reader is directed to carefully review this discussion for a proper understanding of these risks and uncertainties.

Political policy risk

Certain of the Company's material mineral property interests are located in Turkey. As such, these property interests are subject to political, economic, and other uncertainties, including, but not limited to, the uncertainty of negotiating with foreign governments, 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, nationalization, currency fluctuations and devaluations, disputes between various levels of authorities, arbitrating and enforcing claims against entities that may claim sovereignty, authorities claiming jurisdiction, restrictions on foreign investment, potential implementation of exchange controls and royalty and government take increases and other risks arising out of foreign governmental sovereignty, as well as risks of loss due to civil strife, acts of war, guerrilla activities, and insurrections. The Company's property interests may be adversely affected by changes in government policies and legislation or social instability and other factors which are not within the control of the Company including, among other things, adverse legislation in Turkey, any lack of certainty with respect to foreign legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law, the risks of war, terrorism, abduction, expropriation, nationalization, renegotiation or nullification of existing concessions and contracts, taxation policies, economic sanctions, the imposition of specific exploration or extraction obligations, and land use requirements over lands administered by the Turkish Ministry of Forestry. The political and security situation in certain areas outside of Turkey is unsettled and volatile. The attempted military coup in Turkey during 2016 highlighted the potential for volatility or civil unrest within the country and its political and bureaucratic institutions. There remains the potential for further such disturbances, which may adversely affect the Company and its business interests in Turkey.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on our business, financial condition and results of operations. Furthermore, in the event of a dispute arising from our activities, we may be subject to the exclusive jurisdiction of courts or arbitral proceedings outside of North America or may not be successful in subjecting persons to the jurisdiction of courts in North America, either of which could unexpectedly and adversely affect the outcome of a dispute.

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 ("NI 52-109").* 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, management has 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. There were no changes to the internal controls over financial reporting that occurred during the year ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

However, 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, 2017, 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. There have been no significant changes in our disclosure controls and procedures during the year ended December 31, 2017.

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 transactions and activities described in this MD&A, there were no 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 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 26, 2018

(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.

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:

- *"Independent Technical Report and Resource Estimate on the Goldstrike Project, Washington County, Utah, U.S.A."*, effective February 8, 2018 and dated March 21, 2018, co-authored by David Rowe, CPG. Of SRK Consulting (Canada) Inc., James N. Gray, P.Geo. of Advantage Geoservices Ltd., and Gary L. Simmons, MMSA of GL Simmons Consulting, LLC.
- *"Updated Technical Report and Estimated Mineral Resources for the Kinsley Project, Elko and White Pine Counties, Nevada, USA",* effective October 15, 2015, and dated December 16, 2015 as prepared by Michael M. Gustin, CPG, Moira Smith, Ph.D., P.Geo., and Gary Simmons, B.Sc. MMSA;
- "*Independent Technical Report for the TV Tower Exploration Property, Çanakkale, Western Turkey*", effective January 21, 2014, and dated February 20, 2014, as prepared by Casey M. Hetman, P.Geo. with SRK Consulting (Canada) Inc., James N. Gray, P. Geo. of Advantage Geoservices Ltd., and Gary Simmons, BSc, Metallurgical Engineering, of G L Simmons Consulting, LLC; and
- "*Revised Preliminary Economic Assessment Technical Report for the Halilağa Project, Turkey*", effective December 20, 2014 and dated February 16, 2015, as prepared by Gordon Doerksen, P. Eng., Dino Libertyto, P.Eng. and Stacy Freudigmann, P.Eng. of JDS Energy and Mining Inc.; Greg Abrahams, P.Geo and Maritz Rykaart, P.Eng. of SRK; Gary Simmons of GL Simmons Consulting LLC.; Garth Kirkham, P.Geo. of Kirkham Geosystems Ltd.; and James Gray, P.Geo. of Advantage Geoservices Ltd.

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 Revised Halilağa PEA is preliminary in nature and includes 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 Revised Halilağa 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. Moreover, the illustrative mine plan and economic model detailed in the Revised Halilağa PEA include the use of a significant portion of Inferred Resources, which are considered to be too speculative geologically to be used in an economic analysis, except as permitted by NI 43-101 for use in PEAs. Additional disclosure and cautionary notes relating to the Revised Halilağa PEA are summarized in the AIF.

As to Halilağa, all drill samples and analytical data were collected under the supervision of TMST, using industry standard QA-QC protocols. Dr. Smith is responsible for compiling the technical information contained in this MD&A but she has not verified all the assay data generated by TMST as project operator at Halilağa, and has not necessarily had access to individual assay certificates. However, the grades and widths reported here agree with the Company's past results on the projects and TMST has given her no reason to doubt their authenticity. Dr. Smith has visited Halilağa regularly and during those visits is given complete freedom to review drill core and technical data on site, and to discuss the ongoing program and results at Halilağa with TMST staff. She is satisfied that TMST is meeting industry standards for all levels of exploration work being carried out at Halilağa.

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 and the Corporation'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, 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; anticipated use of proceeds from the 2018 Private Placement and 2016 Bought-Deal; 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, accuracy of any mineral resources; the timing and likelihood of deployment of additional drill rigs to our projects, the release of a Preliminary Economic Assessment on Goldstrike, 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; Liberty Gold's ability to fully fund cash-calls made by its joint venture partner for ongoing expenditure at Halilağa; 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 Halilağa and 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; the timing and possible outcome of regulatory and permitting matters; successful resolution of the challenges to the EIAs described in this MD&A or those 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; 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; judgement of management when exercising discretion in their use of proceeds from the 2018 Private Placement and 2016 Bought-Deal; 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; 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

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration; however, there is no certainty that these inferred mineral resources will be converted into mineral reserves, once economic considerations are applied. The mineral resource estimates referenced in this MD&A use the terms "**Indicated Mineral Resources**" and "**Inferred Mineral Resources**". While these terms are defined in and required by Canadian regulations (under NI 43-101), these terms are not recognized by the U.S. Securities and Exchange Commission ("**SEC**"). "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves" as in-place tonnage and grade without reference to unit measures. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. Liberty Gold is not an SEC registered company.