

**Liberty Gold Corp.**

ANNUAL INFORMATION FORM

For the Fiscal Year Ended December 31, 2020

Dated March 26, 2021



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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, information contained, or incorporated by reference, herein constitutes “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “planned”, “expect”, “project”, “predict”, “potential”, “targeting”, “intends”, “believe”, and similar expressions, or describes a “goal”, or variation of such words and phrases or states that certain actions, events or results “may”, “should”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Statements relating to mineral resources are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described exist in the quantities predicted or estimated or that it will be commercially viable to produce any portion of such resources. Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made, including among other things, the future prices of gold, copper, silver and other metals, the price of other commodities such as coal, fuel and electricity, currency exchange rates and interest rates; favourable operating conditions, political stability, timely receipt of governmental approvals, licences and permits (and renewals thereof); access to necessary financing; stability of labour markets and in market conditions in general; availability of equipment; the accuracy of mineral resource estimates, and of any metallurgical testing completed to date; estimates of costs and expenditures to complete our programs and goals; the speculative nature of mineral exploration and development in general, including the risk of diminishing quantities or grades of mineralization and with respect to the Goldstrike PEA (as defined herein); there being no significant disruptions affecting the development and operation of the project, including due to the pandemic of the novel coronavirus (COVID-19); the closing of the Kinsley Sale Agreement (defined herein), the receipt of staged payments from the Halilağa Agreement (as defined herein) and Kinsley Sale Agreement, exchange rate assumptions being approximately consistent with the assumptions in the report; the availability of certain consumables and services and the prices for power and other key supplies being approximately consistent with assumptions in the applicable technical report; labour and materials costs being approximately consistent with assumptions in the report and assumptions made in mineral resource estimates, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological assumptions, capital and operating cost estimates, and general marketing, political, business and economic conditions. Many of these assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies, and other factors that are not within the control of Liberty Gold Corp. (“**Liberty Gold**” or the “**Corporation**”) and could thus 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.

Forward-looking information and forward-looking statements herein includes, but is not limited to: statements or information concerning the future financial or operating performance of Liberty Gold and its business, operations, properties and condition, resource potential, including the potential quantity and/or grade of minerals, or the potential size of a mineralized zone, potential expansion of mineralization, the timing and results of future resource estimates, the timing of other exploration and development plans at Liberty Gold’s mineral project interests, the amenability of mineralization to produce a saleable concentrate of sufficiently high enough grade and quality to be economic; changes in project parameters as plans continue to be refined; illustrative mine lives of the Corporation’s various mineral project interests, the proposed timing and amount of estimated future production, and the illustrative costs thereof; and with respect to the Goldstrike Project: statements regarding the economic and scoping-level parameters of the Goldstrike Project, mineral resource estimates, the cost and timing of any development of the Goldstrike Project, the proposed mine plan and mining methods, dilution and mining recoveries, processing method and rates and production rates; the timing of the announcement of the maiden mineral resource at Black Pine; projected metallurgical recovery rates, infrastructure requirements, capital, operating and sustaining cost estimates, the projected life of mine and other expected attributes of the project, the net present value (“**NPV**”), capital, the Goldstrike Project location, the timing of the environmental assessment process, changes to the Goldstrike Project configuration that may be requested as a result of stakeholder or government input to the environmental assessment process, government regulations and permitting timelines, estimates of reclamation obligations, requirements for additional capital, environmental risks, general business and economic conditions. Such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Liberty Gold to be materially different from any future results, performance or achievements expressed or implied.

Such factors include, among others: the timing and possible outcome of regulatory and permitting matters; the ability to obtain, maintain or renew the underlying licences and permits in the United States in accordance with the requirements of applicable mining, environmental and other laws in the United States; satisfaction of requirements relating to the submissions and successful defence of Environmental Impact Assessment reports (“**EIAs**”); exploration, development and operating risks, and risks associated with the early stage status of the Corporation’s mineral properties and the nature of exploration; risks associated with the Corporation having no known reserves and no economic reserves may exist on the Corporation’s properties, which could have a negative effect on the Corporation’s operations and valuation; discrepancies between actual and estimated mineral resources; possible variations of mineral grade or recovery rates; fluctuations in commodity prices and relative currency rates; volatility, changes or disruptions in market conditions; government regulation of mining operations and changes in government legislation and regulation, including pursuant to the *Canadian Extractive Sector Transparency Measures Act* (Canada) and any impacting the Corporation’s access to State Forest Land in Turkey; foreign operations risks, political instability, hostilities, insurrection or acts of war or terrorism (and the potential consequential capital and financial market reaction), pandemics including the novel coronavirus (COVID-19) (and the potential consequential governmental regulations and capital and financial market reaction); reputational risks; potential dilution of common shares in the capital of the Corporation (“**Common Shares**”) voting power or earnings per share as a result of the exercise of warrants, RSUs, DSUs, or Options (all, as defined in this Annual Information Form (“**AIF**”)), future financings or future acquisitions financed by the issuance of equity; uncertainties associated with minority interests and joint venture operations; ability to satisfy contractual obligations and additional capital needs generally; reliance on a finite number of properties; contests over title to properties; costs and results derived from community relations activities; availability of adequate infrastructure; the cost, timing and amount of estimated future capital, operating exploration, acquisition, development and reclamation activities; limited operating history and no earnings; limits of insurance coverage and uninsurable risk; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, pitwall failures, flooding, rock bursts and other acts of God, or natural disasters or unfavourable operating conditions and losses; environmental risks and hazards; limitations on the use of community water sources; risks associated with the Corporation’s indemnified liabilities; competitive conditions in the mineral exploration and mining businesses; the ability of the Corporation to retain its key management employees and the impact of shortages of skilled personnel and contractors; potential acquisitions and their integration with the Corporation’s current business; future sales of common shares by existing shareholders; influence of third party stakeholders; successful defence against existing, pending or threatened litigation or other proceedings; conflicts of interest; the Corporation’s designation as a “passive foreign investment company”; the adequacy of the Corporation’s system of internal controls; credit and/or liquidity risks; cyber security risks; changes to the Corporation’s dividend policy; the interpretation and actual results of historical production at certain of the Corporation’s exploration property interests, as well as specific historic data associated with, and drill results from, those properties, and the reliance on technical information provided by Liberty Gold’s joint venture partners or other third parties; changes in labour costs or other costs of exploration and development; failure of equipment or processes to operate as anticipated; Liberty Gold’s ability to fully fund cash-calls made by its joint venture partner, completion of expenditure and other obligations under earn-in or option agreements to which the Corporation is a party; the impact of archaeological, cultural or environmental studies within the property area; the designation of all or part of the property area of the Corporation’s projects as a protected wildlife habitat under government legislation and regulation; future issuances of the Common Shares to satisfy earn-in or lease-related obligations or the acquisition of exploration properties; judgement of management when exercising discretion in their use of proceeds from offerings of securities; those general business, economic, competitive, political, regulatory and social uncertainties, disruptions or changes in the credit or securities markets and market fluctuations in prices for Liberty Gold’s securities that may occur outside of management’s control; the Corporation’s history of net losses and negative operating cash flow; the Corporation’s major shareholder(s) having the ability to influence matters submitted to Liberty Gold’s shareholders for approval; and the risks involved in the exploration, development and mining business in general.

Although the Corporation has 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. Further details relating to many of these factors is discussed in the section entitled “*Risk Factors*” in this AIF.

Forward-looking statements and forward-looking information contained herein are made as of the date of this AIF and the Corporation disclaims 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. All forward-looking statements and forward-looking information attributable to us is expressly qualified by these cautionary statements.

### **CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES**

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

Without limiting the foregoing, these documents use the terms “measured resources”, “indicated resources” and “inferred resources”. Shareholders in the United States are advised that, while such terms are defined in and required by Canadian securities laws, the United States Securities and Exchange Commission (the “SEC”) does not recognize them. Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It 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. Under Canadian rules inferred mineral resources must not be included in the economic analysis, production schedules, or estimated mine life in publicly disclosed Pre-Feasibility or Feasibility Studies, or in the Life of Mine plans and cash flow models of developed mines. Inferred Mineral Resources can only be used in economic studies as provided under National Instrument 43-101. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of contained ounces is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report resources as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in these documents may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

### **PRELIMINARY NOTES**

Throughout this AIF, Liberty Gold Corp. is referred to as “**Liberty Gold**” or the “**Corporation**”. All information contained in this AIF is given as of December 31, 2020, unless otherwise stated.

#### **Currency**

All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars (“US\$”), the same currency that the Corporation uses in its consolidated financial statements as its reporting currency. As at December 31, 2020 and March 26, 2021, the value of the Canadian dollar (“C\$”), based on the Bank of Canada’s daily rates of exchange for the conversion of C\$ was US\$0.7854 and US\$0.7949, respectively.

#### **Measurements and frequently used abbreviations and acronyms**

In this AIF, metric units are used with respect to the Corporation’s various mineral properties and operations. Conversion rates from imperial measures to metric units and from metric units to imperial measures are provided in the table set out below:

<b>Imperial Measure</b>	<b>=</b>	<b>Metric Unit</b>	<b>=</b>	<b>Metric Unit</b>	<b>=</b>	<b>Imperial Measure</b>
2.471 acres		1 hectare (“ha”)		0.4047 hectares		1 acre (“ac”)
3.281 feet		1 metre (“m”)		0.3048 metres		1 foot (“ft.”)
0.621 miles		1 kilometres (“km”)		1.609 kilometres		1 mile (“mi.”)
2.20 pounds		1 kilogram (“kg”)		0.454 kilograms		1 pound (“lb.”)

<b>Imperial Measure</b>	=	<b>Metric Unit</b>		<b>Metric Unit</b>	=	<b>Imperial Measure</b>
0.032 troy ounces		1 gram (“g”)		31.1 grams		1 troy ounce (“oz.”)

Measurements and amounts in this AIF have been rounded to the nearest two decimal places.

## Financial Statements and Management Discussion and Analysis

This AIF should be read in conjunction with the audited consolidated financial statements of Liberty Gold for the year ended December 31, 2020 (the “**Audited Financial Statements**”), and the accompanying management’s discussion and analysis (“**MD&A**”) for that year. Unless otherwise indicated, financial information contained in this AIF is presented in accordance with International Financial Reporting Standards (“**IFRS**”). The Audited Financial Statements and MD&A are available at [www.libertygold.ca](http://www.libertygold.ca) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## Standard Resource and Reserve Reporting System

National Instrument 43-101, “*Standards of Disclosure for Mineral Projects*”, Companion Policy 43-101CP and Form 43-101F1 (collectively, “**NI 43-101**”) are a set of rules developed by the Canadian Securities Administrators, which has established standards for all public disclosure an issuer makes of “scientific and technical information” concerning mineral projects (“**Technical Information**”). Unless otherwise indicated, all Technical Information, including resource estimates attributable to Liberty Gold’s property interests contained in this AIF, and including any information contained in certain documents referenced in this AIF, has been prepared in accordance with NI 43-101, and those standards of the Canadian Institute of Mining, Metallurgy and Petroleum Standing Committee on Reserve Definitions.

The named individuals who supervised the preparation of the Technical Information contained in this AIF are qualified persons, as defined under NI 43-101 (each individually, a “**Qualified Person**”). Each such Qualified Person is an author of one of the technical reports that form the basis for the majority of the Technical Information reproduced in this AIF.

## Material Property Interest

As at March 26, 2021, the Corporation holds an interest in two mineral properties considered to be material within the meaning of applicable Canadian securities laws:

<b>Property name</b>	<b>Ownership entity</b>	<b>% interest</b>
Black Pine	Pilot Gold USA	100%
Goldstrike	Pilot Goldstrike, Inc.	100%

See discussion in this AIF, under headings, “*Intercorporate Relationships*”, and “*Goldstrike Project*” for a summary of, and Technical Information for, Goldstrike and under “*Black Pine Project*” for a summary of, and Technical Information for, Black Pine.

## Technical Disclosure

Unless otherwise indicated, Liberty Gold has prepared the Technical Information in this AIF based on information contained in the technical reports and news releases (collectively the “**Disclosure Documents**”) available under Liberty Gold’s company profile on SEDAR at [www.sedar.com](http://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.

Each of the Corporation’s Disclosure Documents was prepared by or under the supervision of a Qualified Person. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information.

With the exception of the deposits listed immediately below, any inferences disclosed in this AIF of potential quantity and grade at Liberty Gold’s exploration property interests, and those in which the Corporation has a joint venture, are conceptual in nature, and there has been insufficient exploration to date to define a mineral resource:

- Goldstrike Property in southern Utah (“**Goldstrike**”); and
- Kinsley Mountain gold property in northeast Nevada (“**Kinsley**”).

It is uncertain if further exploration will result in other targets at these projects, or any of the Corporation's other mineral property interests, being delineated as a mineral resource.

Mineral resource estimates contained herein 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 the one indicated by drilling results and the difference may be material. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Moira Smith, Ph.D., P.Geo., Vice-President Exploration and Geoscience, Liberty Gold, and a Qualified Person, has prepared and approved the Technical Information in this AIF. Dr. Smith has consented to the inclusion of the Technical Information in the form and context in which it appears in this AIF.

## **CORPORATE STRUCTURE OF THE CORPORATION**

### **Name, Incorporation and Registered Office**

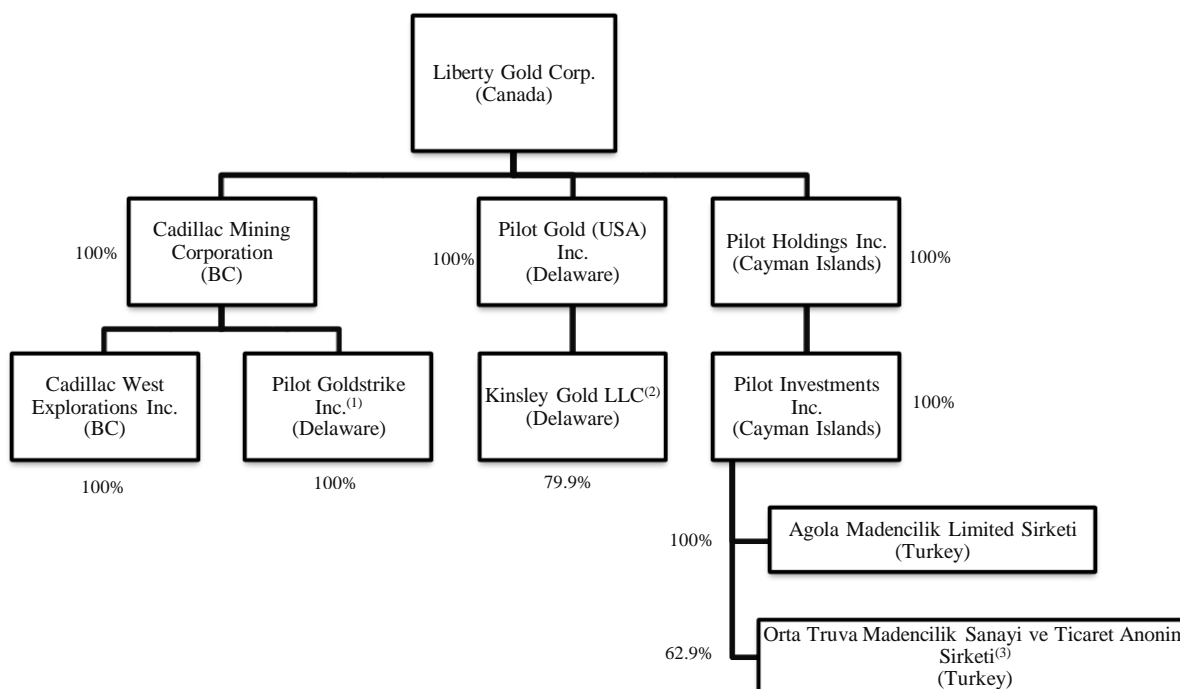
Liberty Gold was incorporated as "7703627 Canada Inc." under the *Canada Business Corporations Act* ("CBCA") on November 18, 2010. Articles of amendment were subsequently filed on November 29, 2010 to change the name of the Corporation to "Pilot Gold Inc." Further articles of amendment were subsequently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

The registered office and principal place of business of the Corporation is located at Suite 1900, 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9. The Corporation also has offices in Elko, Nevada, USA and Ankara, Turkey for its projects located in these respective jurisdictions, and Cayman Island-registered subsidiaries doing business in the United Kingdom.

### **Intercorporate Relationships**

A significant portion of the Corporation's business is carried on through its various subsidiaries and joint venture entities. The following chart illustrates, as at the date of this AIF, the Corporation's subsidiaries, affiliates and joint ventures, including their respective places of incorporation (or establishment in the case of partnerships) and the percentage of voting securities (or partnership interests) in each that are held by the Corporation either directly or indirectly:





- (1) Pilot Goldstrike Inc. (former, Cadillac South Explorations Inc.) holds certain leased and directly held claims that comprise the Goldstrike Property, one of two of the Corporation’s Material Properties (as defined below).
- (2) Kinsley Gold LLC is governed by a limited liability company agreement dated January 1, 2013 (the “**Kinsley Agreement**”) between Pilot Gold (USA) Inc. and Intor Resources Corporation (“**Intor**”) and holds i) a lease on part of the Kinsley property; and ii) certain other directly held claims. Pilot Gold USA Inc. is the project operator for Kinsley and holds an approximate 79.9% interest in Kinsley Gold LLC. Intor, the U.S. subsidiary of Nevada Sunrise Gold Corporation (“**NSGC**”) holds the remaining 20.1% interest. The Corporation’s interest in Kinsley Gold LLC is subject to the Kinsley Sale Agreement, see section entitled “Three-year history”.
- (3) Orta Truva, a Turkish Joint Stock Company, holds title to the licenses that comprise TV Tower. The Corporation holds an approximate 62.9% interest in Orta Truva; Teck Madencilik Şanayi Ticaret A.Ş. (“**TMST**”), an indirect subsidiary of Teck Resources Limited (“**Teck**”) owns the remaining interest. Agola Madencilik Limited Şirketi (“**Agola**”), a 100% owned subsidiary of Liberty Gold, is the project operator at TV Tower.

## GENERAL DEVELOPMENT OF THE BUSINESS

Liberty Gold was incorporated on November 18, 2010, as a wholly owned subsidiary of Fronteer Gold Inc. (“**Fronteer**”), a publicly listed entity engaged in the acquisition and exploration of mineral properties predominantly located in Nevada, USA, and Turkey.

On February 3, 2011, Fronteer, the Corporation and Newmont Mining Corporation (“**Newmont**”) entered into an arrangement agreement (“**Arrangement Agreement**”) pursuant to which Newmont acquired all the outstanding common shares of Fronteer by way of a plan of arrangement (the “**Fronteer Arrangement**”), which became effective on April 6, 2011 (the “**FA Effective Date**”). On the FA Effective Date, Liberty Gold ceased to be a wholly owned subsidiary of Fronteer, and Fronteer became an indirect, wholly owned subsidiary of Newmont. Immediately prior to the FA Effective Date, and pursuant to the Fronteer Arrangement, the Corporation:

- assumed certain obligations and acquired (i) certain exploration properties and assets in Nevada, (ii) the shares of Pilot Investments Inc. (“**PII**”), the entity that holds the Corporation’s interest in the Halılağa and TV Tower properties (the “**Turkish Properties**”), and (iii) cash in the amount of C\$9,584,714; and
- issued Common Shares to Fronteer that resulted in Newmont holding, at that time, an indirect 19.9% interest in Liberty Gold.

On April 11, 2011, the Corporation's Common Shares began trading on the Toronto Stock Exchange (the "TSX") under the symbol, "PLG", marking the beginning of Liberty Gold's existence as a publicly traded company. On May 12, 2017, the Corporation changed its name to "Liberty Gold Corp." and the Corporation's Common Shares began trading under the symbol "LGD". Liberty Gold is a reporting issuer in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

### Three Year History

On January 26, 2018, the Corporation completed a bought deal private placement (the "**2018 Bought Deal**") of units (the "**2018 Units**"). Pursuant to the private placement, the Corporation issued 24,938,426 2018 Units at a price of C\$0.42 per 2018 Unit for gross proceeds to the Corporation of C\$10,474,138.92. The 2018 Units consisted of one Common Share in the capital of the Corporation and one-half of one Common Share purchase warrant (each whole warrant, a "**2018 Warrant**") with each 2018 Warrant exercisable by the holder into one Common Share at a price of C\$0.65 per share at any time prior to January 26, 2021.

On February 8, 2018, an initial independent resource estimate was announced for the Goldstrike Project (the "**Goldstrike Resource**"). With an effective date of February 8, 2018, the Goldstrike Resource is based on assay data available as of December 24, 2017. The Goldstrike Resource is included in a technical report entitled "*Independent Technical Report and Resource Estimate for the Goldstrike Property, Washington County, Utah, USA*", effective February 8, 2018, and dated March 21, 2018, co-authored by David Rowe, CPG. of SRK Consulting (Canada) Inc. ("**SRK**"), James N. Gray, P.Geo. of Advantage Geoservices Ltd., and Gary L. Simmons, MMSA of GL Simmons Consulting, LLC, (the "**Goldstrike Resource Technical Report**"). The Goldstrike Resource Technical Report was superseded by the 2018 PEA (as defined below).

On July 10, 2018, the Corporation announced a Preliminary Economic Assessment ("**2018 PEA**") on the Goldstrike Oxide Gold Deposit. The 2018 PEA is included in the technical report entitled "*Preliminary Economic Assessment and Independent Technical Report for the Goldstrike Project, Washington County, Utah USA*", effective February 8, 2018 and signed July 16, 2018, prepared by SRK of Vancouver, British Columbia, Golder Associates Inc. of Reno, Nevada ("**Golder**"), Kappes Cassiday and Associates of Reno, Nevada ("**Kappes**"), Advantage Geoservices of Osoyoos, British Columbia and GL Simmons Consulting LLC of Larkspur, Colorado. For a summary of the 2018 PEA please see "*Goldstrike Project*" in this AIF.

On July 24, 2017, Logan Resources Ltd. ("**Logan**") provided the Corporation with formal notice that it had met the requirements of and elected to exercise its option under an agreement which entitled Logan to earn up to an 80% interest in up to four of its nine Great Basin Portfolio Properties (the "**Great Basin Properties**"). Logan selected to earn an initial 51% interest in the Brik, Viper, Easter and Antelope properties (the "**Selected Properties**"), and released its interest in the remaining five Great Basin Properties each located in eastern Nevada and western Utah, and include the Drum, Griffon, Sandy, Stateline and Anchor gold properties. On August 24, 2018, an assignment agreement was signed between Logan Resources Ltd. and K2 Resources Inc. ("**K2 Resources**"), transferring all of Logan's rights and obligations in respect of the Selected Properties to K2 Resources. The claims encompassing the Antelope property was subsequently dropped by K2 Resources and Liberty on October 5, 2018 and Liberty subsequently sold its 49% interest in the Selected Properties to Raindrop Ventures Inc. ("**Raindrop**") (as further described below).

On September 10, 2018, the Corporation filed a technical report for the Black Pine Oxide Gold deposit entitled "*Technical Report of the Black Pine Gold Project, Cassia County, Idaho, USA*" effective July 23, 2018 and signed September 7, 2018, prepared by Michael M. Gustin, CPG, of Mine Development Associates of Reno, Nevada, Moira T. Smith, Ph.D., P.Geo., Vice President, Exploration and Geoscience, Liberty Gold and William A. Lepore, M.Sc., P.Geo., Senior Project Geologist (the "**Black Pine Technical Report**"). For a summary of the Black Pine Technical Report please see "*Black Pine Project*" in this AIF.

On October 2, 2018 the Corporation completed a bought-deal financing ("**2018 Fall Financing**") for aggregate gross proceeds of C\$11,557,500. Pursuant to the 2018 Fall Financing the Corporation issued 28,893,750 units (the "**2018 Fall Units**"), each unit consisting of one Common Share in the capital of the Corporation and one Common Share purchase warrant (each whole warrant, a "**2018 Fall Warrant**") with each 2018 Fall Warrant exercisable by the holder

into one Common Share at a price of C\$0.60 per share at any time prior to October 2, 2021. Each 2018 Fall Unit was issued at a price of C\$0.40.

On February 19, 2019, the Corporation announced that the U.S. Forest Service had approved the Corporation's Plan of Operations (as defined herein) for the Black Pine project in Idaho. This permit will allow Liberty Gold comprehensive access to the 7.3 km core of an estimated 12 km<sup>2</sup> gold system. A total of up to 141 acres (0.57 km<sup>2</sup>) can be disturbed under the permit, including up to 49 km of new roads and 370 drill pads, subject to a staged annual reclamation plan.

On May 28, 2019, the Corporation reported results from phase 1 metallurgical testing of oxide material from its Goldstrike Project in Southwestern Utah.

On July 11, 2019, the Corporation's subsidiary, Pilot Investments Inc., entered into a share purchase agreement with Cengiz Holdings A.Ş. ("**Cengiz**"), Teck Madencilik Sanayi Ticaret A.Ş. ("**TMST**") and Truva Bakır Maden İşletmeleri A.Ş. ("**Truva**") dated July 11, 2019 (the "**Halilağa Agreement**") for the sale of its interest in the Halilağa property (the "**Halilağa Transaction**") located in Biga Province, northwest Turkey, to Cengiz. Pursuant to the terms of the Halilağa Agreement, the Corporation and its joint venture partner, TMST, a subsidiary of Teck Resources Limited ("**Teck**"), have agreed to jointly sell their 100% interest in Truva, the company that holds the Halilağa project, to Cengiz for \$55 million cash, to be paid in three stages over a two-year period. The consideration will be apportioned 60% to TMST and 40% to Liberty Gold, pro-rata to their ownership interests. Cengiz will acquire the Halilağa property by purchasing the shares in a Turkish corporation held by TMST and Liberty Gold. As a result of the Halilağa Transaction, Liberty Gold will receive a total of \$22 million.

On September 10, 2019, the Corporation completed a bought-deal financing ("**2019 Financing**") for aggregate gross proceeds of C\$15,840,000. Pursuant to the 2019 Financing the Corporation issued 28,800,000 Common Shares, at a price of C\$0.55 per Common Share.

On November 18, 2019, the Corporation entered into an amendment of the Halilağa Agreement and receipt of a \$4 million non-refundable payment from Cengiz. The total consideration under the terms of the Halilağa Agreement remained unchanged, but the staged payments were amended to be as follows:

- \$4,000,000 nonrefundable payment (received);
- \$6,000,000 on closing of the amended sale agreement, August 15<sup>th</sup>, 2020 (received);
- \$6,000,000 on the first anniversary of the closing date, August 15<sup>th</sup>, 2021; and
- \$6,000,000 on the second anniversary of the closing date, August 15<sup>th</sup>, 2022.

On December 2, 2019, the Corporation signed a definitive agreement for the sale of its 79.1% interest in the Kinsley Mountain project in Nevada (the "**Kinsley Sale Agreement**") to Barrian Mining Corp. ("**Barrian**"). Pursuant to the terms of the Kinsley Sale Agreement, the Corporation will receive \$7,500,000 in total consideration in three stages over a 2-year period as follows:

- \$2,500,000 on the closing date of the Kinsley Sale Agreement (the "**Kinsley Closing Date**") plus 2,000,000 common shares of Barrian (subject to a contractual 12 month hold period);
- \$2,500,000 on or before the 1<sup>st</sup> anniversary of the Kinsley Closing Date plus 1,000,000 common shares of Barrian (subject to a contractual 12 month hold period);
- Common shares of Barrian with a total value of \$2,500,000, on or before the 2<sup>nd</sup> anniversary of the Kinsley Closing Date (subject only to a 4-month statutory hold period); and
- a 1% Net Smelter Return Royalty ("**NSR**") on the 79.1% interest in Kinsley, with an option to Barrian to repurchase up to 0.5% of the NSR royalty for an additional \$500,000.

On December 18, 2019, the Corporation signed a binding term sheet for the sale and assignment (the "**Regent Agreement**") of a Net Profits Interest ("**NPI**") in the Regent Hill property, Nevada, to Ely Gold Royalties Inc ("**Ely Gold**") for a total consideration of \$800,000 in cash and 2,000,000 common share purchase warrants of Ely Gold ("**Ely Warrants**"), with each Ely Warrant being exercisable by Liberty Gold until December 18, 2021 at price of \$0.43 per share. The Corporation also announced that it had signed an agreement to sell the Griffon project, Nevada, to Fremont Gold Ltd. ("**Fremont**") through a purchase-option agreement for a total consideration of \$325,000 in staged payments

over four years, 2,500,000 common shares of Fremont and a 1% NSR royalty, with an option to Fremont to re-purchase the NSR royalty for \$1 million.

On February 25, 2020, Barbara Womersley joined the Corporation's board of directors (the "**Board**").

On March 12, 2020, the Corporation closed the sale of a 15% NPI in the Regent property in Nevada, to Ely Gold, for a total consideration of \$800,000 and 2,000,000 Ely Warrants. The Ely Warrants can be exercised for C\$0.43 per Ely Warrant, at any time between June 19, 2020 and December 18, 2021.

On May 4, 2020, the Corporation announced an amendment to the Kinsley Sale Agreement (the "**Amended Kinsley Sale Agreement**"). Pursuant to the terms of the Amended Kinsley Sale Agreement the Corporation will receive:

- \$1,250,000 on the closing date plus Barrian common shares totalling 9.9% of the issued and outstanding common shares of Barrian on a post-consolidation basis (subject to a contractual 12 month hold period) (the "**Initial Option Payment**");
- \$2,500,000 on or before the 1st anniversary of the final approval of the Transaction by the TSX Venture Exchange (the "**TSXV**");
- \$2,500,000 in common shares of Barrian on or before the 2nd anniversary of the final approval of the Transaction by the TSXV (subject to a 4- month statutory hold period); and
- a 1% NSR on the acquired interest in Kinsley where Barrian, at its sole discretion, has the right to re-purchase up to one-half percent (0.5%) of the NSR royalty upon payment of \$500,000.

The Initial Option Payment was received by the Corporation on June 2, 2020, consisting of \$1,250,000 in cash and 8,844,124 common shares in New Placer Dome Corp ("**New Pacer Dome**", formerly known as Barrian), as well \$124,570 in repayment for a surety bond deposit on Kinsley.

On June 10, 2020, the Corporation announced an increase to the strategic land holding at Black Pine after staking 2.9 km<sup>2</sup> on the northwest corner of the core claim block, 3.4 km<sup>2</sup> of ground to the north of the core claim block and 3.6 km<sup>2</sup> of ground 7 km to the west of the main claim block.

On June 16, 2020, the Corporation reported results from phase 2 metallurgical testing of oxide material from its Black Pine project.

On August 12, 2020, the Corporation announced the closing of the Halilağa Agreement and the receipt of \$6,000,000 from Cengiz.

On August 18, 2020, the Corporation reported additional results from phase 2 of metallurgical testing of oxide material from its Black Pine project.

On August 28, 2020, the Corporation announced the signing of a definitive agreement (the "**Baxter Agreement**") for the option of its 100% interest in the Baxter Spring Gold project, located in central Nevada ("**Baxter Spring**") Huntsman Exploration Inc. ("**Huntsman**") (formerly known as BlueBird Battery Metals Inc.). Pursuant to the terms of the Baxter Agreement, the Corporation will receive in return for its interest in Baxter Spring:

- \$250,000 on the closing date;
- \$250,000 on or before the first anniversary of the date of TSXV approval of the transaction;
- the number of Huntsman common shares that are equal to 19.5% of the issued and outstanding Huntsman common shares, on a post-financing and post-consolidation basis (subject to a one-year hold period); and
- a 2% NSR with no buyout rights.

The transactions contemplated by the Baxter Agreement closed on November 12, 2020, with the Corporation receiving 14,986,840 Huntsman common shares and \$250,000 in cash.

The Corporation shall retain a 36 month right to reacquire a 35% interest in Baxter Spring for \$1,000,000 ("**Back-in Right**"). Should the Corporation exercise the Back-in Right, Huntsman has been granted an option to repurchase 5% of the Corporation's interest by completion of a pre-feasibility study.

On November 16, 2020, Liberty and Raindrop entered into an asset purchase agreement (the “**Asset Purchase Agreement**”) pursuant to which Raindrop agreed to acquire Liberty’s Anchor, Stateline and Sandy projects and Liberty’s 49% interest in the Selected Properties. As consideration, Raindrop agreed to pay Liberty US\$50,000 in cash, issue Liberty 9.9% of Raindrop’s issued and outstanding common shares upon closing and grant Liberty a 1.5% net smelter returns royalty on the Anchor, Stateline and Sandy projects. The transactions contemplated by the Asset Purchase Agreement were completed on March 2, 2021, with Raindrop issuing 4,013,406 common shares to Liberty.

On December 3, 2020, Greg Etter joined the Board.

## DESCRIPTION OF THE BUSINESS

Liberty Gold is principally engaged in the acquisition, exploration and development of mineral properties, or interests in companies controlling mineral properties, which feature strong grades, meaningful size and access to existing infrastructure in mining-friendly jurisdictions around the World.

The Corporation’s objective is to become the leading gold-focused exploration company in the United States. Liberty Gold’s technical and management teams are currently focused on advancing two projects with strong exploration and production potential in the Great Basin region in the United States. The Corporation’s material properties are the Black Pine property in Idaho and the Goldstrike Project in Utah (the “**Material Properties**”). The Corporation continues to maintain the TV Tower project.

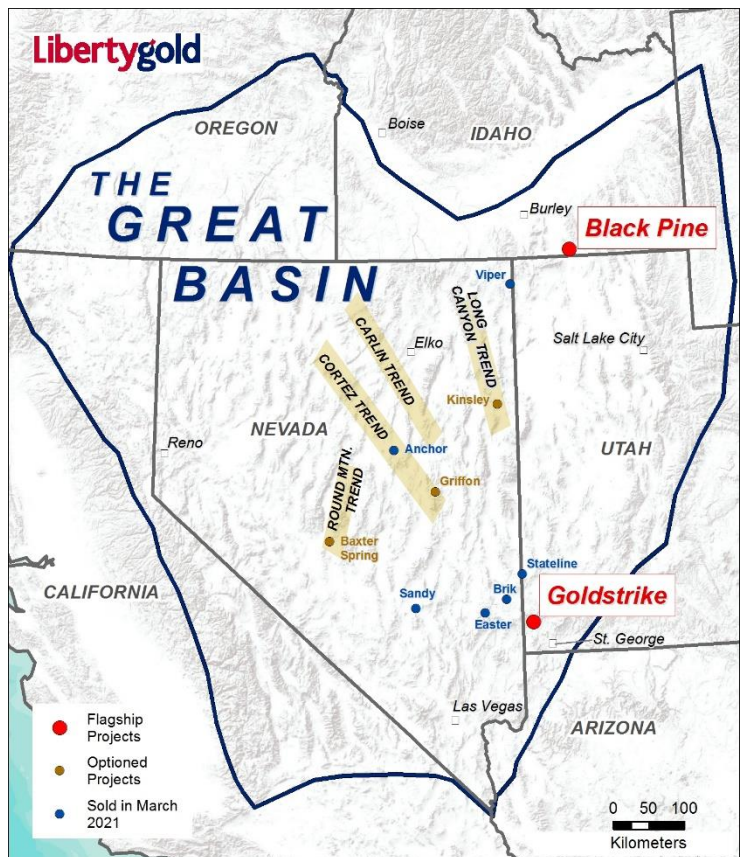
### United States

#### *Black Pine*

Black Pine is a past-producing heap-leach gold mine located in southern Idaho. The recovery of an extensive historical digital database, after the acquisition of Black Pine in 2016, led to a two-year compilation and verification exercise, along with a successful validation drill program in 2017. In 2019 and 2020, the Corporation to planned and executed 21,000 m and 43,000 m respective drill programs that intersected thick, high-grade intervals of Carlin-style oxide gold mineralisation in four new zones beneath the limit of shallow historical drilling, and in several regional targets, significantly expanding on the historical footprint of gold mineralisation. The 2021 exploration program is designed to continue to expand these areas of mineralization and make new discoveries, produce a maiden mineral resource estimate and a preliminary economic assessment, and substantially de-risk the project through acquisition of private land, water rights and permit amendments.

#### *Goldstrike*

Goldstrike is a Carlin-style, sediment-hosted gold property located in southwest Utah. Goldstrike is host to a past producing mine with an extensive exploration database. Gold mineralization on surface and in shallow drill holes has been discovered over the entire property. Goldstrike was the principal focus for Liberty Gold from 2016 through 2018. Successful drilling through these years, and the results of a positive 2018 PEA continue to support the Corporation’s strategic focus on Goldstrike.



The two properties are shallow, oxidized, sedimentary rock-hosted (Carlin-style) gold properties with district-scale mineralization and the stratigraphy, structure and style of mineralizations similar to discoveries and projects in the Great Basin at which the Corporation's technical team has had significant prior successes.

As at December 31, 2020 Liberty Gold also had an interest in seven other exploration-stage gold projects throughout Nevada and along the Nevada-Utah border. Baxter Spring is under option to Huntsman, Griffon is under option to Freemont. Subsequent to December 31, 2020, Liberty sold its 49% interest in three other properties, Easter, Brik and Viper, which were held as a joint operation with K2 Resources Inc., and its 100% interest in the Stateline, Anchor and Sandy properties, to Raindrop (as described above).

For further details concerning the Corporation's material mineral properties, please see "*Black Pine Project*" and "*Goldstrike Project*", in this AIF.

## **Turkey**

Liberty Gold holds a 62.9% interest in TV Tower through a joint venture and operating agreement (the "**TV Tower Agreement**") with TMST holding the remaining interest.

The Halilağa Transaction that closed in 2020 supports the Corporation's belief that there is significant value and opportunity remaining at TV Tower due to its exceptional prospectivity. A five-hole, 3021 metre diamond core drilling program in late 2020 at TV Tower focussed on testing the Columbaz porphyry gold-copper target, with results pending. The 2021 program will continue to focus on value preservation, including maintaining tenure, continuing to manage the Corporation's strong social licence to operate, target generation and data compilation. The Corporation anticipates continuing with discussions with its joint venture partner and various third parties with the objective of maximizing and unlocking the value at TV Tower.

## **Expected Changes to the Business**

In 2016, Liberty Gold undertook a strategic pivot to focus exploration on its projects in the Great Basin region, which include Black Pine, Goldstrike and Kinsley. In 2017, the Corporation changed its name to Liberty Gold, to better reflect its more intensive focus on U.S. gold properties located in the Great Basin in Nevada, Utah and Idaho in the western USA.

The Corporation has since then focused on its two main properties, releasing the 2018 PEA on Goldstrike and continued resource expansion efforts since then, as well as increasing its understanding of the geology and scale of the gold system at Black Pine. Exploration and drill programs in 2021 are planned to continue demonstrating the potential at Black Pine with an aim to release a maiden mineral resource estimate on the property.

Management of the Corporation does not expect any material changes to the business; however, as is typical of the mineral exploration and development industry, from time-to-time Liberty Gold reviews potential merger, acquisition, investment, divestiture and joint venture transactions and opportunities that could enhance shareholder value.

Current scientific and technical information may change as a result of further exploration and development programs. Accordingly, readers of this AIF are urged to read the press releases issued by the Liberty Gold as they become available on SEDAR, for full and up-to-date information concerning the Corporation's business and its material exploration property interests.

## **Significant Acquisitions**

Liberty Gold did not make any significant acquisitions during the financial year ended December 31, 2020 that would require the Corporation to file a Form 51-102F4 *Business Acquisition Report* under Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations*.

## **Area of Interest and Limitations on the Business**

The Kinsley Agreement and the TV Tower Agreement each include a defined area of interest ("**AOI**") requiring any one partner or any of its subsidiaries or affiliates that stakes or acquires any surface or water rights or mineral properties within a defined perimeter of the relevant mineral property, to offer to have those rights or properties included in the related project. In the case of TV Tower, the AOI is a two (2) km circumference around the projects. In the case of Kinsley, the AOI is a five (5) km circumference around the property. Liberty Gold and its respective joint venture

partners are also required to consult each other prior to making any acquisitions of lands held by third parties within the respective AOI.

### **Competitive Conditions**

The Corporation's business is intensely competitive, and the Corporation competes with other exploration, development, and mining companies, many of which have greater resources and experience. As described in this AIF, under "*Risk Factors*", competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and operated economically and the capital for the purpose of financing development of desired properties.

In addition, this competition may impact the Corporation's ability to recruit or retain qualified employees with the technical expertise to find, develop, or operate such properties.

Liberty Gold believes that its success is dependent on the performance of its management and key employees, many of whom have specialized knowledge and skills relating to the precious metals' exploration business. Liberty Gold believes it has adequate personnel with the specialized skills required to successfully carry out its operations. As at March 26, 2021, the Corporation and its subsidiaries had 15 direct employees. Many of the Corporation's management and its senior geologic team are either former employees or long-time contractors of Fronteer.

The Corporation has also retained Oxygen Capital Corp. ("**Oxygen**"), a private entity owned by certain directors of the Corporation to provide services to the Corporation including staffing, office rental, and other administrative functions. Oxygen provides its services and personnel on a cost recovery basis. The Corporation benefits from expanded access to management, technical and administrative personnel as a result of the Oxygen relationship. Through the year ended December 31, 2020, three employees of Oxygen dedicated at least 50% of their time to Liberty Gold. Neither Oxygen, nor its owners, are remunerated for services provided under this arrangement.

### **Health, Safety and Environment**

The Corporation places great emphasis on providing a safe and secure working environment for all of Liberty Gold's employees and recognizes the importance of operating in a sustainable manner.

The Health, Safety and Sustainability Committee of the Board of Liberty Gold meets at least twice per year to review the Corporation's performance and compliance as related to such matters. Liberty Gold has also adopted a Health, Safety and Sustainability Charter, and has communicated the importance of working in a safe and secure working environment to all employees and significant contractors. Liberty Gold has also adopted a Health, Safety and Sustainability Policy to frame decisions of the Corporation's employees and contractors.

The Corporation believes awareness and communication of risks are critical steps in preventing accidents on each of the property interests operated by the Corporation. The Corporation requires:

- Mandatory orientation sessions for all site workers and visitors on the properties;
- Drill safety meetings at start-up of drill programs, weekly safety meetings while drill programs are underway, and after accidents/incidents; and
- The use of cell phones or "spot-devices" at all times for personnel in the field; individuals are encouraged to communicate with home regularly.

Supplemental to the Health and Safety policy, in Q2, 2020, the Corporation adopted protocols for managing and mitigating the risks associated with COVID-19. These protocols will remain in place at least through the first half of 2021 (see below).

The Corporation had no direct lost-time accidents during 2020 and 2019. There were no lost time accidents at Halilağa in 2019 and 2020 prior to its sale, which was operated by TMST.

Liberty Gold is subject to federal, provincial, territorial, and state and local environmental laws and regulations. Management has put in place ongoing monitoring programs at the Corporation's properties and posts surety bonds, as required, in compliance with state and local closure, reclamation, and environmental obligations. The estimate for future reclamation and property closure costs (current and non-current) for the Corporation's projects at December 31, 2020 was \$0.42 million (2019: \$0.42 million). The reclamation obligation relates to disturbance through to 2021

on the Corporation's portfolio of property interests, including drilling-related disturbances at Goldstrike, Black Pine and Kinsley.

Activity at Black Pine<sup>1</sup>, Goldstrike<sup>2</sup>, and Kinsley<sup>3</sup> is undertaken in accordance with an approved plan of operations ("Plan of Operations" or "PoO"). Exploration work and disturbance continues at each of these properties.

There were no significant environmental incidents at any of the exploration and development properties at which the Corporation is the operator through the twelve months ended December 31, 2020.

One of the more significant environmental risks associated with the Corporation's exploration projects, relates to handling of fuel and fuel storage systems. These risks are mitigated through the use of various spill protection equipment. Management has also developed emergency plans in the event a significant spill does occur. The Corporation maintains Material Safety Data Sheets for substances where such is required, and does not use anything in the drilling program other than standard additives, all generally benign – including bentonite, polymer, cement, soda ash, cellophane flakes, paper flakes, and (dish) detergent.

Many of Liberty Gold's projects are subject to periodic monitoring by government agencies with respect to environmental protection plans and practices, which must be detailed when applying for exploration permits.

### **Corporate Social Responsibility – USA**

Liberty Gold works closely with the communities in Idaho, Utah and Nevada in order to engage stakeholders and build good relationships. Where possible, the Corporation hires locally for labour, dirt work, geology, etc. The Corporation has given presentations and tours to the local communities, in order to explain the activities at Black Pine and Goldstrike, and has sponsored local sporting and other events.

### **Corporate Social Responsibility – Turkey**

In the Biga district, TMST and Liberty Gold have worked with community stakeholders in the settlements surrounding TV Tower to build positive relationships based on transparency, trust and shared benefits. The Corporation, through Orta Truva and Agola have focused on community development and sustainability projects that provide a sustained benefit to the communities in the areas immediately surrounding the projects. The Corporation and TMST engage with community members regularly, solicit and respond to feedback and concerns raised from concerned citizens, and host property tours for interested members of the community.

## **RISK FACTORS**

**An investment in securities of the Corporation involves a significant degree of risk and must be considered highly speculative due to the nature of the Corporation's business and the present stage of exploration and development of its mineral property interests. There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Liberty Gold and could cause the Corporation's operating and financial performance to differ materially from the estimates described in forward-looking statements related to the Corporation.**

**The risks set out below are not the only risks facing the Corporation. There are widespread risks associated with any form of business and specific risks associated with Liberty Gold's business and its involvement in the gold exploration and development industry.**

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but

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<sup>1</sup> Plan of Operations (POO-2016-063179 was approved by the US Forest Service ("USFS") in 2011 and amended in 2012. An expanded Plan of Operations (POO-2017-072046) was approved by the USFS on February 13, 2019. A PoO amendment, including use of the mine well and roads on BLM (IDI-039132), was submitted on January 11, 2020 and approved on February 17, 2021.

<sup>2</sup> Plan of Operations (UDGOM Permit # E/053/0069 and BLM UTU-091578) was approved by the BLM and bonded by UDOGM in August 2017 (in this AIF, the "Goldstrike PoO"). This supplanted a UDOGM permit # E/053/0065 and #E/053/0070 and NOI UTU-091149 and UTU-092291 from the BLM. Amendments were approved on February 27 and November 19, 2018.

<sup>3</sup> Plan of Operations Record of Decision, Case # NVN-091528 and approved Environmental Assessment received on August 30, 2013 supplanted the Kinsley NOI. (NVN-090386) (the "Kinsley PoO"). The Kinsley PoO was amended on October 16, 2014. The Kinsley PoO is bonded by the BLM and Nevada Bureau of Mining Regulation and Reclamation ("NBMRR").



also from finding mineral deposits, which, though present, are insufficient in quantity or quality to return a profit from production. **Shareholders of Liberty Gold may lose their entire investment.**

In addition to the other information set forth elsewhere in this AIF, the following risk factors should be carefully reviewed by prospective investors. These risks may not be the only risks faced by Liberty Gold. Risks and uncertainties not presently known by Liberty Gold or which are presently considered immaterial may also adversely affect Liberty Gold's business, properties, results of operations and/or condition (financial or otherwise). **If any of the following risks actually occur, Liberty Gold's business, financial condition, results and prospects could be adversely affected.**

Additional risks and uncertainties not presently known to Liberty Gold or those that are currently deemed immaterial may also impair the Corporation's business operations. If any such risks actually occur, the business, financial condition and operating results of the Corporation could be materially harmed. All references to "Liberty Gold" or the "Corporation" in this section entitled "*Risk Factors*" include Liberty Gold and its subsidiaries and joint ventures, except where the context otherwise requires. Before making an investment decision, prospective investors should carefully consider the risks and uncertainties herein, as well as the other information contained in the Corporation's public filings.

Turkey is still considered to be an emerging market. Many of the Risk Factors identified in this AIF reflect risks and characteristics unique to operating in an emerging market.

#### **Pandemic of Novel Coronavirus COVID-19**

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

The impact that COVID-19 has had on the Corporation's operations, including its exploration activities, has so far been limited, but as variants present themselves and regulations change, this impact could increase. Overall, the key risks related to exploration activities currently relate to (a) availability of assay services; (b) the procurement of goods and potential supply chain issues; (c) permitting delays; and (d) impact to both site-based personnel and head office personnel.

Assay labs have a long backlog due to closures and staff distancing in laboratories, this may continue to impact the pace of exploration activities.

Site activities have been and continue to be affected by government mandated travel restrictions, restrictions on personnel working in close proximity and possible quarantine requirements.

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

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

#### **Exploration, Development and Operating Risks, and Risks Associated with the Early Stage Status of the Corporation's Mineral Properties and the Nature of Exploration; The Corporation Has No Known Reserves and No Economic Reserves May Exist on the Corporation's Properties, Which Could Have a Negative Effect on the Corporation's Operations and Valuation**

The Corporation's mineral property interests are of high risk and are considered to be speculative in nature. There is no certainty that the expenditures made by the Corporation towards the search for and evaluation of minerals with regard to its mineral property interests, or otherwise, will result in discoveries of commercial quantities of gold or other minerals.

In addition, the Corporation may expend substantial funds in exploring some of its properties only to abandon them and lose its entire expenditure on the properties if no commercial or economic quantities of minerals are found. Even if commercial quantities of minerals are discovered, the exploration properties might not be brought into a state of commercial production.

Finding mineral deposits is dependent on a number of factors, including the technical skill of exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as content of the deposit including harmful substances, size, grade and proximity to infrastructure, as well as metal prices and the availability of power and water in sufficient supply to permit development. Most of these factors are beyond the control of the entity conducting such mineral exploration. Where expenditures on a property have not led to the discovery of mineral reserves, such incurred expenditures will generally not be recoverable. Furthermore, the exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate or even mitigate. While the discovery of a mineral-bearing structure may result in an increase in value for shareholders, few properties which are explored are ultimately developed into producing mines. Substantial expenditures are required to locate and establish mineral reserves through drilling, for development of metallurgical processes to extract the metal from the ore, and in the case of new properties, for construction of the mining and processing facilities and infrastructure at any site chosen for mining.

It is impossible to ensure that the exploration or development programs planned by the Corporation will result in a profitable commercial mining operation. Whether a gold or other precious or base metal or mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Other factors include: the ability to hire and retain qualified people, the ability to obtain suitable machinery, equipment or labour and the ability to obtain necessary services in jurisdictions in which the Corporation operates. Unfavourable changes to these and other factors have the potential to negatively affect the Corporation's operations and business.

In the exploration and development phases of a project, no absolute assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a resource, or that any such resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, if production is commenced, mineral reserves are finite and there can be no assurance that the Corporation will be able to locate additional reserves as its existing reserves are depleted.

Although there are initial resource estimates defined for targets at Goldstrike, it is uncertain if further exploration will result in additional targets at the properties, or others in the Corporation's portfolio being delineated as a mineral resource. Furthermore, the term "Resource(s)" cannot be used to describe Liberty Gold's mineral property interest at Black Pine, or the portfolio properties due to their early stage of exploration at this time. Any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration at these other projects to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. The term "Reserve(s)" is not applicable to any of the Corporation's mineral property interests. Quantities and/or grade described in this AIF for targets other than at Goldstrike should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the profitability of future operations.

As to the deposits at Goldstrike, or other properties on which the Corporation may release a resource estimate, the Corporation notes that mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates may or may not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. 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.

In general, mining operations involve a high degree of risk. The Corporation's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and

other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

### **Permitting and License Risks**

In the ordinary course of business, Liberty Gold will be required to obtain and renew governmental licences or permits for the operation and expansion at each of its property interests; or for the development, construction and commencement of mining at any of the Corporation's mineral resource properties. Obtaining or renewing the necessary governmental licences or permits is a complex and time-consuming process involving numerous jurisdictions with public hearings and costly permitting and other legal undertakings.

In the United States and Turkey, as with many jurisdictions, there are various federal, state and local laws governing land, power and water use, the protection of the environment, development, occupational health and safety, waste disposal and appropriate handling of toxic substances. Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies and require the Corporation to obtain permits from various governmental agencies.

Exploration generally requires one form of permit while development and production operations require additional permits. Each stage of a property's development can also require multiple permits. There can be no assurance that all permits which the Corporation may require for future exploration or possible future development will be obtainable at all or on reasonable terms. In addition, future changes in applicable laws or regulations could result in changes in legal requirements or in the terms of existing permits applicable to the Corporation or its properties. This could have a negative effect on the Corporation's exploration activities or the Corporation's ability to develop its properties.

The duration and success of the Corporation's efforts or those of its partners to obtain and renew licences or permits are contingent upon many variables not within Liberty Gold's control, including the interpretation of applicable requirements implemented by the particular licensing authority(-ies). The Corporation may not be able (and no assurances can be given with respect to its ability) to obtain or renew licences or permits that are necessary to operations at Liberty Gold's property interests, including, without limitation, an exploitation or operations licence, or the cost to obtain or renew licences or permits may exceed what Liberty Gold believes can be recovered from its property interests if they are put into production. Any unexpected refusals of required licences or permits or delays or costs associated with the licensing or permitting process could prevent or delay the development or impede the operation of a mine, which could adversely impact the Corporation's operations and profitability.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or other remedial actions.

The Corporation cannot be certain that it will receive the necessary permits and licences at all, or on acceptable terms required to conduct further exploration and to develop its properties and bring them into production. The failure to obtain such permits or licences, or delays in obtaining such permits or licences, could increase the Corporation's costs and delay its activities, and could adversely affect the properties, business or operations of the Corporation.

#### *United States*

In addition to the approved PoO in place at Black Pine, the Corporation applied for a new PoO to expand the permitted area by up to 141 acres over which a drilling program could be undertaken, which was approved on February 12, 2019. The original Black Pine PoO, prepared by and approved for the previous operator, includes certain restrictions over land use designed to comply with the 2012 Amended Sawtooth National Forest Land and Resource Management Plan. The most recent PoO allows for year-round access to the core area of the property, subject to weather and snow conditions. The far southern area has operation restrictions from January 1 to March 1 for winter game. The eastern and southeastern area has operation restrictions from March 1 to June 30 for sage grouse. The Silver Hills target in the northwest has no specific operations restrictions but would be subject to closure if the United States Forest Service ("USFS") determined that raptors or other sensitive wildlife were present in the area; annual wildlife surveys would be required. In the April 2019 raptor survey, a golden eagle nest with chicks was discovered in the A Pit wall, as well as a great horned owl nest in the Tallman Pit, and a red-tailed hawk nest in the B Pit. Each raptor has different activity restriction timing and distance schedules, but the golden eagle was the most restrictive. Working with the USFS and

Stantec Consulting Services Inc. (“**Stantec**”), Liberty Gold built a road to access the upper project area, bypassing the A pit. USFS and Stantec biologists monitored the eagle nests throughout the spring, and once the eaglets had left the nest in mid July, Liberty Gold was able to drill in the A Basin area. Liberty Gold was in full compliance with federal and state guidelines for raptor avoidance and mitigation. No raptors were observed nesting in the pit areas, or elsewhere in the permitted drill areas, in 2020.

In January 2020, Liberty Gold submitted a modification to the PoO to both the USFS and the Bureau of Land Management (“**BLM**”) to expand the project area to the east and up to 55 additional acres of disturbance. The USFS completed a supplemental environmental assessment (“**EA**”) and issued project approval on December 23, 2020, subject to a 45 day objection period. Final approval was received on February 17, 2021.

The Corporation received an approved record of decision for the Goldstrike PoO and associated Environmental Assessment in August 2017. Approval of the Goldstrike PoO allows for expanded exploration activities in up to 77 acres of surface disturbance within a 907-acre area of the Goldstrike property, covering most of the known surface mineralization. Until the Goldstrike PoO was approved, the Corporation’s drilling activities had been carried out under a Notice of Intent (“**NOI**”) permit. The First Amendment to the Goldstrike PoO, approved by BLM and the State of Utah on February 27, 2018, allows for up to 77 acres of surface disturbance within a 1,263-acre area. The Second Amendment to allow up to 77 acres of surface disturbance within a 2,139 acre area was approved on November 19, 2018.

The Corporation received an approved record of decision for the Kinsley PoO and associated Environmental Assessment on August 30, 2013. Approval of the Kinsley PoO allows for exploration activities in the southern third of the Kinsley property. Until the Kinsley PoO was approved, the Corporation’s drilling activities had been limited to the area under a 5 acre NOI. An amendment to the Kinsley PoO to extend the permitted area of disturbance to include the property’s Northern Claim blocks was approved on October 16, 2014. Kinsley is currently subject to the Kinsley Sale Agreement, see section entitled “Three-year history”.

On September 18, 2015, the BLM released “Record of Decision and Approved Resource Management Plan Amendments for the Great Basin Region, Including the Greater Sage-Grouse Sub-Regions of Idaho and Southwestern Montana, Nevada and Northeastern California, Oregon and Utah” (the “**BLM ARMPA**”). The effect of the BLM ARMPA is to limit development and land use, and to restrict new mining claims throughout large parts of Idaho, Southwestern Montana, Nevada, Northeastern California, Oregon, and Utah, including (subject to certain exceptions) a prohibition on new mining claims for a period of time.

On December 8, 2018, the BLM published a final Environmental Impact Study (“**EIS**”) to amend the BLM ARMPA, and on October 13, 2020, a supplemental EIS was published. The new amendments, if approved, would ease restrictions on oil and gas drilling, align BLM management plans with State management plans, and give BLM and States more flexibility to grant waivers, but not necessarily change activity restrictions in priority sage-grouse habitat areas. The USFS published a final EIS in August 2019 with similar proposals for southern Idaho. A federal court injunction was instated in October 2019 delaying implementation of these amendments until 2021.

On February 11, 2021, a federal judge vacated the October 11, 2017 cancellation of the mining claim withdrawal, reinstating the proposal. The outcome of a variety of legal challenges to the BLM ARMPA and subsequent amendments is uncertain, as is the impact to future recoverability of the Corporation’s investments into properties in affected areas.

In 2019, the BLM Pocatello Field office, elevated sage-grouse habitat to Priority Habitat Management Area (“**PHMA**”). This PHMA impacts a 5.4 km<sup>2</sup> area to the east of the main Black Pine project area. Areas designated part of the PHMA could potentially have timelines impacted under a permitting process. The main Black Pine project area is not included in the PHMA.

Although the current Black Pine and Goldstrike PoOs and amendments provide the Corporation with the ability to execute on its planned drill and exploration program through to 2023, the failure to receive any additional amendments in timely fashion may limit the Corporation’s ability to advance exploration or expand the resource estimate at a future date.

### **The Corporation's Securities are Subject to Market Price Volatility**

The market price of the Common Shares may be adversely affected by a variety of factors relating to Liberty Gold's business, including fluctuations in the Corporation's operating and financial results, the results of any public announcements made by Liberty Gold or its joint venture partners and the failure to meet analysts' expectations.

The market prices of securities of Liberty Gold have experienced wide fluctuations which may not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of Liberty Gold. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, the price of gold, copper and other commodities and market perceptions of the attractiveness of particular industries. This volatility may adversely affect the market price of the Common Shares.

The price of the Corporation's public securities is also likely to be significantly affected by short-term changes in gold, copper or other mineral prices. Other factors unrelated to the Corporation's performance that may have an effect on the price of the Common Shares include the following: (i) the extent of analytical coverage available to investors concerning the Corporation's business may be limited if investment banks with research capabilities do not follow and publish coverage of the Corporation's Common Shares; (ii) lessening in trading volume and general market interest in the Corporation's securities may affect an investor's ability to trade significant numbers of Common Shares; (iii) the size of the Corporation's public float, and changes thereto, may limit the ability of some institutions to invest in the Corporation's Common Shares; and (iv) a substantial decline in the price the Common Shares that persists for a significant period of time could cause the Corporation's Common Shares to be delisted from the TSX or from any other exchange upon which the Corporation's Common Shares may trade from time to time, further reducing market liquidity.

As a result of any of these factors, the market prices of the Common Shares at any given point in time may not accurately reflect the Corporation's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

### **Current Economic Conditions**

There are significant uncertainties regarding the prices of gold, copper, other precious and base metals and minerals and the availability of financing for the purposes of mineral exploration and development. A reduction in the price of gold, copper or other metals may prevent the Corporation's properties from being economically mined or result in the write-off of assets whose value is impaired as a result of lower metal prices. The price of metals may also have a significant influence on the market price of the Corporation's Common Shares. The prices of gold and copper are affected by numerous factors beyond the Corporation's control, such as the level of inflation, fluctuation of the United States dollar and foreign currencies, global and regional demand, sale of gold by central banks and the political and economic conditions of major gold producing countries throughout the world. As a result, the Corporation may have difficulty raising debt or equity financing for the purposes of mineral exploration and development, and, if obtained, on terms favourable to the Corporation and/or without excessively diluting present shareholders of the Corporation. These economic trends may limit the Corporation's ability to i) execute programs and budgets at Black Pine and Goldstrike, and/or ii) satisfy and execute approved programs and budgets at TV Tower.

In addition, the current outbreak of novel coronavirus (COVID-19) that was first reported from Wuhan, China on December 31, 2019, and any future emergence and spread of similar pathogens, could have an adverse impact on global economic conditions, which may adversely impact: the market price of the Corporation's Common Shares, the Corporation's operations, its ability to raise debt or equity financing for the purposes of mineral exploration and development, and the operations of the Corporation's suppliers, contractors and service providers.

### **Government Regulation**

In addition to Permitting and License Risks, the mineral exploration activities (as well as the potential for eventual mining, processing and development activities) of the Corporation are subject to extensive laws and regulations governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine

safety, toxic substances, land use, waste disposal, water use, land claims of local people, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

Government approvals, approval of aboriginal peoples and permits are currently, and may in the future be required in connection with the Corporation's operations. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

It is ultimately individuals who make interpretations and application of legislation and policy intended to benefit industry while according protections to flora, fauna and culturally significant areas; Accordingly, there is a risk that the Corporation and its business is impacted negatively by government regulation in ways that were not previously anticipated.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Regulators in the United States and Turkey have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

The Corporation's mineral exploration and mining activities in the countries in which it operates, including the United States and Turkey, may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase royalties payable or the costs related to the Corporation's activities or maintaining its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, government-imposed royalties, claim fees, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. There is furthermore the potential impact from a lack of application of regulations, leading to delays in permitting. The effect of these factors cannot be accurately predicted. Although the Corporation's exploration and development activities are currently carried out in material compliance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Furthermore, any shift in political attitudes, or amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof are beyond the control of the Corporation and could have a substantial adverse impact on the Corporation.

#### *United States*

At the federal level, recent United States federal budgets have proposed to levy annual fees and a royalty on the gross proceeds of hardrock minerals mined on public lands including silver, gold and copper extracted from projects on public lands managed by the BLM or the United States Forest Service. The levy is ostensibly to help remediate abandoned mines across the United States. There has been an annual effort, since the 2012 fiscal year budget was proposed, to update the General Mining Law of 1872; each year, the proposal has been cut. The United States Department of Interior (the "DOI") has proposed budgets that also call for reforms on mining operations and reducing the environmental impacts of mining.

These and other changes to legislation and regulation in the United States, including the possibility of an Executive Order enacted by the President of the United States with negative consequences to our business, as well as similar changes in other jurisdictions may indicate an increasing risk for companies operating in the exploration and production stage of the mining industry to be subject to increasing taxes on operations. The Corporation's activities and financial results may be adversely impacted by these and other changes.

## **Foreign Operations Risk**

The majority of Liberty Gold's operations and exploration activities are conducted outside of Canada and consequently may be affected in varying degrees by political stability and government regulations relating to foreign investment, taxation, social unrest, corporate activity, pandemics such as the novel coronavirus (COVID-19) and other extractive related activities.

Liberty Gold may also acquire or invest in additional properties located in less stable jurisdictions in the future and, as such, its operations are and may increasingly be exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage taking; repression; fluctuations in currency exchange rates; government imposed currency controls; high rates of inflation; labour unrest; the risks of war or civil unrest, whether within the geographic borders or in neighbouring countries; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; and changing political conditions, norms and governmental regulations, including those having to do with environmental requirements.

The relevant governments have granted permits, licenses or concessions that enable us to conduct operations or exploration and development activities. Notwithstanding these arrangements, our ability to conduct operations or exploration and development activities is subject to obtaining and/or renewing permits or concessions from all levels of government, and often from different ministries of government; changes in laws or government regulations or shifts in political attitudes beyond our control.

With the exception of those in the United States, our mineral resources are derived from assets located in Republic of Turkey. Turkey has historically experienced, and continues to experience, heightened levels of political and economic instability due to regional geopolitical instability. These conditions may be exacerbated by current global economic conditions or become exacerbated during electoral processes. In particular, there have been political challenges in and nearby to Turkey, including civil unrest along the geographic borders with Syria, Iran, and Iraq, terrorist acts, including bombings in major centres, and an associated refugee crisis. Turkey also has a history of fractious governing coalitions comprised of many political parties and has experienced anti-government protests as well as increasing unrest following investigations initiated in December 2013 into alleged government corruption, and an attempted coup in 2016. Accordingly, there continues to be a risk of future political instability.

Political instability may cause changes to existing governmental regulations affecting mineral exploration and mining activities and/or may have a material adverse effect on the Corporation's properties, business and results of operations. Such changes, if any, in jurisdictions in which Liberty Gold holds properties or assets may adversely affect its operations or potential profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on operations, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

In addition, in the event of a dispute arising from foreign operations, Liberty Gold may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. Liberty Gold also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for Liberty Gold to accurately predict such developments or changes in laws or policy or to the extent to which any such developments or changes may have a material adverse effect on Liberty Gold's properties, business, operations or financial condition. The Corporation does not currently carry political risk insurance covering our investments. From time to time, management assesses the costs and benefits of obtaining and maintaining such insurance. There can be no assurance that, if obtained, political risk insurance would be available to Liberty Gold, or that particular losses suffered with respect to the Corporation's foreign investments will be covered by any insurance that Liberty Gold may obtain in the future. Any such losses could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

## **Commodity Price Risks**

The price of the Common Shares, the Corporation's financial results and exploration, and development and mining activities may in the future be significantly and adversely affected by declines in the price of gold or other minerals. The price of gold or other minerals fluctuates widely and is affected by numerous factors beyond the Corporation's control, including but not limited to the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar, the Turkish lira and other foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future price declines in the market value of gold or other minerals could cause continued development of and commercial production from the Corporation's properties to be impracticable. Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient and the Corporation could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Economic viability of future production from the Corporation's mining properties, if any, is dependent upon the prices of gold and other minerals being adequate to make the properties economic.

In addition to adversely affecting any resource estimates of the Corporation and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause delays or may interrupt operations until the reassessment can be completed.

## **Reputational risk**

Reputational risk is the potential that adverse publicity, whether true or not, will or may cause a decline in financial results, liquidity, share price, social licence to operate or shareholder base due to its impact on the Corporation's image. Reputational risk is inherent in virtually all of the Corporation's business transactions, even when the transaction or activity is fully compliant with legal and regulatory requirements. Reputational risk cannot be managed in isolation, as it often arises as a result of operational, regulatory and other risks inherent to the business. For these reasons, Liberty Gold's framework for reputational risk management is integrated into all other areas of risk management and is a key component of the codes of business conduct and ethics of which the Corporation's personnel are expected to observe. Liberty Gold places a high emphasis on safeguarding the Corporation's reputation, as once compromised, it can be difficult to restore.

## **Credit and Liquidity Risk**

Credit risk arises from cash and cash equivalents held with banks and financial institutions, as well as amounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Pursuant to the Halilağa Transaction, Liberty Gold is expected to receive \$6,000,000 on or before each of August 11, 2021 and August 11, 2022. These receivables are bank guaranteed by T.C. Ziraat Bankası A.Ş. ("**Ziraat Bank**"). Ziraat Bank is rated a B1 or highly speculative by Moody's Corporation.

Liberty Gold has no debt, and at the date of this AIF, has approximately \$17.83 million in cash and short-term deposits primarily held with large Canadian, US and Turkish commercial banks, and approximately \$5.09 million in equity securities.

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Corporation's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable, and it is not currently known precisely when the Corporation will require external financing in future periods.



### **Additional Capital and Potential Dilution to Common Shares**

Liberty Gold's articles of incorporation allow the Corporation to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by the Board and, in many cases, without the approval of the shareholders.

As at the date of this AIF, there are 262,899,035 Common Shares issued and outstanding. The increase in the number of Common Shares issued and outstanding through further issuances (including those arising from the exercise of dilutive securities) may have a depressive effect on the price of the Common Shares and will dilute the voting power of the Corporation's existing shareholders.

While as at the date of this AIF the Corporation expects to have sufficient treasury to fund the 2021 exploration program and budget, the further exploration and development of the Corporation's properties will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Corporation's properties or even a loss of property interest. In particular, if the Corporation acquires additional mineral properties which necessitate exploration expenditures, the Corporation may not have sufficient funds to finance such operations. The primary source of funding available to the Corporation consists of equity financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be on terms that are favourable to the Corporation. In addition, any future financing may be dilutive to existing shareholders of the Corporation.

In addition, the Corporation has issued potentially dilutive securities in the form of i) incentive stock options to purchase Common Shares ("**Options**") pursuant to Liberty Gold's Stock Option Plan (2020) (the "**Option Plan**"), ii) Restricted Share Units ("**RSUs**") and Deferred Share Units ("**DSUs**"). See in this AIF, "*Prior Sales: Non-trading securities*" for information on numbers of RSUs, DSUs and Options exercisable.

The Corporation has also issued potentially dilutive securities in the form of common share purchase warrants pursuant to a bought deal financing of the Corporation's securities that closed on October 2, 2018. In connection with this financing, the Corporation issued 28,893,750 2018 Fall Warrants.

Details relating to exercise periods and prices are disclosed in the Audited Financial Statements.

The Corporation may issue additional Common Shares in future offerings (including through the sale of securities convertible into or exchangeable for Common Shares), and on the exercise of RSUs, DSUs and Options. The Corporation may also issue Common Shares to finance future acquisitions and other projects. Liberty Gold cannot predict the size of future issuances of Common Shares, or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares.

Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and Liberty Gold may experience dilution in the Corporation's earnings per share.

### **Subsidiaries and Joint Ventures**

The Corporation owns 62.9% interest in TV Tower through joint stock companies with TMST and its approximately 79.99% interest in Kinsley in a limited liability company partnership interest with a subsidiary of NSGC, and it operates some of its properties through subsidiaries. Accordingly, the Corporation is subject to the typical risks associated with partnerships and joint ventures and contractual agreements, including disagreement on how to develop, operate or finance the project and contractual and legal remedies of the Corporation's partners in the event of such disagreements. In addition, any limitation on the transfer of cash or other assets between the Corporation and such entities, or among such entities, could restrict the Corporation's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Corporation's value and stock price.

The respective joint venture agreements for Kinsley and TV Tower provide that only a limited number of decisions regarding the respective property interests require unanimous approval. Accordingly, for as long as the Corporation

has less than a 100% interest in any particular property, it may be dependent upon the relevant joint venture partner for many aspects of project development.

### **Risks Associated with a Lack of Funding to Satisfy Contractual Obligations**

The Corporation may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Corporation may have its property interests subject to such agreements reduced as a result or even face termination of such agreements. The Corporation has a joint venture agreement in Turkey with respect to TV Tower and in the United States at Kinsley. Each of these joint venture agreements provides for adjustments to the interests of the parties in the respective legal entity that holds the property interest where either party fails to fund cash calls within certain specified periods. If the Corporation fails to fund cash calls, it risks having its interest reduced, may lose its effective veto power over certain decisions and ultimately could have its interest in the particular joint venture diluted or terminated. TMST, the Corporation's partner at TV Tower is a subsidiary of Teck, a much larger entity with far greater access to financial resources than the Corporation.

### **History of Net Losses and Negative Operating Cash Flow**

The Corporation generates no operating revenue from the exploration activities on its property interests and has negative cash flow from operating activities. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues. The Corporation anticipates that it will continue to have negative cash flow until such time that commercial production is achieved at a particular project. The Corporation has no sources of revenue and has significant cash requirements to meet its exploration commitments, administrative overhead and maintain its mineral interests. The Corporation expects to continue to incur losses unless or until one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. The Corporation will need to raise sufficient funds to fund ongoing exploration, advance its projects, if warranted, to the pre-feasibility and feasibility stages, provide for capital costs of building mining facilities, and to provide for ongoing general and administrative expenses. There can be no assurance that current exploration programs will result in the discovery of commercial deposits or, ultimately, in profitable mining operations.

### **Reliance on a Limited Number of Properties**

Although the Corporation continues to hold other properties, the Material Properties of the Corporation are its 100% interest in Goldstrike and Black Pine. As a result, unless i) the Corporation acquires additional property interests, or ii) another project, any adverse developments affecting any one of these properties could have a material adverse effect upon the Corporation and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Corporation. While the Corporation may seek to acquire additional mineral properties that are consistent with its business objectives, or may at a future date designate any or all of its other interests in mineral properties as a Material Property, there can be no assurance that the Corporation will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Corporation or at all.

### **Land Title**

The acquisition of the right to explore and/or exploit mineral properties is a detailed and time-consuming process. Although the Corporation is satisfied it has taken reasonable measures to acquire unencumbered rights to explore its mineral property interests in the United States, no assurance can be given that such claims are not subject to prior unregistered agreements or interests or to undetected or other claims or interests which could be material or adverse to the Corporation. The Corporation's mineral properties in the United States are primarily unpatented mining claims to which the Corporation has only possessory title. Because title to unpatented mining claims is subject to inherent uncertainties, it is difficult to determine conclusively the ownership of such claims. In addition, certain of the Corporation's mineral property interests, including some of the land that comprises Goldstrike, also include areas of leased land. Lease agreements are subject to various obligations, restrictions and indemnifications, and are subject to periodic renewal; any such renewal will require renegotiation when facts and circumstances for the parties might be different than when originally agreed.

Uncertainties also arise as related to such things as sufficiency of mineral discovery, proper posting and marking of boundaries and possible conflicts with other claims not determinable from descriptions of record. Since a substantial portion of all mineral exploration, development and mining in the United States now occurs on unpatented mining claims, this uncertainty is inherent in the mining industry.

The present status of the majority of the Corporation's unpatented mining claims located on public lands provides the Corporation with the exclusive right to mine and remove valuable minerals, such as precious and base metals. The Corporation is also allowed to use the surface of the land solely for purposes related to exploration, mining and processing the mineral-bearing ores. However, legal ownership of the land remains with the United States government. The Corporation remains at risk that the mining claims may be forfeited either to the United States government or to rival private claimants due to failure to comply with statutory requirements.

In Turkey, mining rights and minerals are exclusively owned by the State. The ownership of the minerals in Turkey is not subject to the ownership of the relevant land. The State, under the mining legislation, delegates its rights to explore and operate to individuals or legal entities by issuing licences for a determined period of time in return for a royalty payment. Mining rights, with respect to certain types of mines, belong to State or State enterprises.

The Corporation, in collaboration with Teck, may need to enter into negotiations with landowners and other groups in the local community in Turkey in order to conduct future exploration and development work on the TV Tower. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in Turkey or if such agreements will be on terms acceptable to the Corporation so that the Corporation can continue to conduct exploration and development work on these properties.

### **Insurance and Uninsured Risks**

The Corporation's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

Although the Corporation maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Corporation does not carry political risk insurance. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which it may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

### **Water Sources**

Community water sources exist in the same regions as the Corporation's property interests in the United States and Turkey. The Corporation will have to ensure that exploration activities do not impact community water sources. In the United States, access to and availability of water near the Corporation's mineral property interests, including Black Pine and Goldstrike, is often based on demonstrable need and use, and may require entering into lease or consumption agreements that may be very costly to the Corporation. The proposed watershed protection area that overlaps TV Tower could also impact the Corporation's access to water and the way in which arrangements with local communities are negotiated to provide access. Future operations may require that alternate water sources be provided to potentially affected communities.

### **Infrastructure**

Mining, processing, development, and exploration activities depend on the availability of adequate infrastructure. Reliable roads, bridges, power sources, fuel and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the

maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition and results of operations.

### **Costs of Land Reclamation**

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the Corporation's properties. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the business, financial condition and results of operations of the Corporation.

### **Limited Operating History**

The completion of the Fronteer Arrangement on April 6, 2011 and subsequent listing on the TSX of the Common Shares marked the start of independent operations for Liberty Gold. As the Corporation is only in its tenth year of operation, it has limited history of operations and no earnings. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

### **Environmental Risks and Hazards**

The Corporation currently has no known financial obligations relating to environmental protection. However, all phases of the Corporation's operations are subject to environmental regulation (including EIAs and permitting) in the jurisdictions in which it operates. Several of the properties in the United States to which the Corporation has an interest, including Goldstrike in Utah, Kinsley in Nevada and Black Pine in Idaho, have undergone significant surface disturbance for as many as 100 years. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation and international standards are evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation and standards, if any, will not adversely affect the Corporation's business, condition or operations. Environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

Liberty Gold cannot give any assurances that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect Liberty Gold.

### **Cyber Security Risks**

As the Corporation continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Corporation relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results. Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Corporation's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Corporation has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Corporation believes these measures and procedures are appropriate. The Corporation was the victim of a cyber-scam resulting in the payment of a non-material amount to a fraudster masquerading as a legitimate vendor and has engaged a third party to carry out a cyber-security review and has clarified its control procedures. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from

rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

### **Indemnified Liability Risk**

Pursuant to the Arrangement Agreement, Liberty Gold has covenanted and agreed that, following the FA Effective Date, it will indemnify Newmont, Fronteer and its subsidiaries from all losses suffered or incurred by them as a result of or arising directly or indirectly out of or in connection with an Indemnified Liability (as such term is defined in the Arrangement Agreement), which includes the amount of any tax payable by Fronteer in respect of the disposition of Common Shares to the former Fronteer security holders. Liberty Gold will remain liable under this indemnity for 60 days after the end of the relevant statutory limitation period in respect of claims for taxes. Liberty Gold's liability under other obligations within the Indemnified Liability expired on April 6, 2017.

Due to Liberty Gold's limited financial resources, any requirement to indemnify under this provision could have a material adverse effect on the ability of Liberty Gold to carry out its business plan.

### **Competitive Conditions**

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Corporation competes with a number of other entities in the search for and the acquisition of potentially productive mineral properties. In particular, there is a high degree of competition faced by the Corporation for desirable mining property interests, suitable prospects for drilling operations and necessary mining equipment, and many of these companies have greater financial resources, operational experience and/or more advanced properties than the Corporation. As a result of this competition, the majority of which is with companies with greater financial resources than the Corporation, the Corporation may be unable to acquire attractive properties in the future on terms it considers acceptable. The Corporation also competes with other resource companies, many of whom have greater financial resources and/or more advanced properties, in attracting equity and other capital necessary for the Corporation to advance the exploration and development of its mineral properties.

The ability of the Corporation to acquire additional properties depends on, among other things, its available working capital, its ability to explore and develop its existing properties, its ability to attract and retain highly-skilled employees, and on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. Factors beyond the control of the Corporation may affect the marketability of minerals mined or discovered by the Corporation. Mineral prices have historically been subject to fluctuations and are affected by numerous factors beyond the control of the Corporation.

In addition, and as described in this AIF, the Corporation is subject to certain covenants in the Kinsley Agreement, and on TV Tower that affect its ability to acquire and explore additional properties in prescribed AOIs in Nevada and Turkey, respectively. The management, employees, and directors of Liberty Gold have significant expertise, experience, and history working in the state of Nevada and Turkey. These covenants and restrictions will prevent Liberty Gold from entering into or undertaking activities in this AOI for a specified period of time which may reduce the Corporation's potential and ability to benefit from and maximize the collective experience of its management, employees and directors.

### **Specialized Skill and Knowledge**

Various aspects of the Corporation's business require specialized skills and knowledge. Such skills and knowledge include the areas of permitting, geology, drilling, metallurgy, logistical planning, and implementation of exploration programs, as well as finance and accounting. The Corporation has found that it can locate and retain such employees and consultants and believes it will continue to be able to do so; however, no assurances can be made in that regard.

### **Acquisitions and Integration**

From time to time, it can be expected that the Corporation will examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Corporation may choose to complete may be of a significant size, may change the scale of the Corporation's business and operations, and may expose the Corporation to new geographic, political, operating, financial and geological risks. The Corporation's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such

acquisition, and integrate the acquired operations successfully with those of the Corporation. Any acquisitions would be accompanied by risks. If the Corporation chooses to raise debt capital to finance any such acquisitions, the Corporation's leverage will be increased. If the Corporation chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Corporation may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Corporation would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

### **Future Sales of Common Shares by Existing Shareholders**

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Corporation's ability to raise capital through future sales of Common Shares. In particular, Van Eck Associates ("Van Eck") owns approximately 11.2% of the issued and outstanding Common Shares. If Newmont, Van Eck, RCF or any other shareholder with a significant ownership interest in the Corporation decides to liquidate all or a significant portion of their position, it could adversely affect the price of the Common Shares.

### **Major Shareholder with greater than 10% holding**

Van Eck owns in excess of 10% of the Common shares of the Corporation. Van Eck directly holds approximately 11.2% of the Corporation's issued and outstanding Common Shares. Van Eck is the Corporation's single largest shareholder. As a result, Van Eck may have the ability to influence the outcome of matters submitted to the Liberty Gold shareholders for approval, which could include the election and removal of directors, amendments to Liberty Gold's corporate governance documents and business combinations. Liberty Gold's interests and those of Van Eck may at times conflict, and this conflict might be resolved against Liberty Gold's interests. The concentration of 11.2% of Liberty Gold's issued and outstanding shares in the hands of one shareholder may discourage an unsolicited bid for the Common Shares, and this may adversely impact the value and trading price of the Common Shares. Van Eck's participation in, or failure to participate in any issuance of additional securities of Liberty Gold may have a material impact on the value and trading price of the Common Shares.

### **Influence of Third-Party Stakeholders**

Some of the lands in which Liberty Gold holds an interest, or the exploration equipment and roads or other means of access which Liberty Gold intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. If such third parties assert any claims, Liberty Gold's work programs may be delayed even if such claims are without merit. Such delays may result in significant financial loss and loss of opportunity for Liberty Gold.

### **Risk of Litigation**

Liberty Gold may become involved in disputes with third parties in the future that may result in litigation. The results of litigation cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If Liberty Gold is unable to resolve these disputes favourably or if the cost of the resolution is substantial, such events may have a material adverse impact on the ability of Liberty Gold to carry out its business plan.

### **Conflicts of Interest**

Certain of the directors and officers of the Corporation also serve as directors and/or officers of Oxygen, a company from whom the Corporation receives management and technical services, as well as other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the CBCA and other applicable laws.

## **Climate Change**

The occurrence of one or more unusually adverse weather conditions or natural disasters such as drought or fires that may be exacerbated by global climate change, could negatively impact our future operations through limitation of access to water, physical damage to equipment or property, subsequent impact to vendor supply chains, or increases in fuel or other energy prices.

As climate change governments and regulatory bodies move to reduce the impact of mining operations or hydrocarbon usage through regulations or carbon taxes, these may result in increased costs of compliance and/or changes in our operations. There is no assurance that compliance with such regulations will not have an adverse effect on our operations and financial condition. Furthermore, given the evolving nature of the debate related to climate change and resulting requirements, it is not possible to predict the impact on our results of operations and financial condition.

## **Passive Foreign Investment Corporation (“PFIC”)**

Liberty Gold was classified as a PFIC within the meaning of Section 1291 through 1298 of the US Internal Revenue Code of 1986, as amended, for the 2011-2020 tax years, and may again be classified as a PFIC for the 2021 tax year and beyond. A US shareholder who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC is subject to special US federal income taxation rules, which may have adverse tax consequences to such shareholder. Additionally, a United States shareholder may be eligible to make certain elections under two alternative tax regimes. A US shareholder should consult its own US tax advisor with respect to an investment in the Common Shares and to ascertain which elections, if any, might be beneficial to the United States shareholder’s own facts and circumstances.

## **Key Executives**

The Corporation is dependent on the services and technical expertise of several key executives, including the directors of the Corporation and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Corporation, the loss of any of these individuals may adversely affect the Corporation’s ability to attract and retain additional highly skilled employees and may impact its business and future operations.

## **Internal Controls**

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Although Liberty Gold has a limited history of operations, the Corporation has undertaken to put into place a system of internal controls appropriate for its size, and reflective of its level of operations. The Corporation’s certifying officers have assessed internal control over financial reporting to be effective as at December 31, 2020.

## **Currency Rate Risk**

The Corporation’s reporting currency is the United States dollar, which is exposed to fluctuations against other currencies. The Corporation’s most recent equity financing was undertaken, and funds were received in Canadian dollars. The Corporation’s primary operations are located in the United States and many of its expenditures and obligations are denominated in United States dollars. It can be anticipated that obligations may also arise in Euros and other currencies should the Corporation expand its operations into additional countries. The Corporation maintains its principal office in Canada; maintains cash accounts in United States dollars, Turkish lira, and Canadian dollars and has monetary assets and liabilities in United States dollars, Canadian dollars, and Turkish lira. As such, the Corporation’s results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Corporation. The Corporation has not undertaken to mitigate transactional volatility in the United States dollar, Turkish lira, or the Canadian dollar at this time. The Corporation may, however, enter into foreign currency forward contracts in order to match or partially offset existing currency exposures.

## **Canada's Extractive Sector Transparency Measures Act**

The Canadian Extractive Sector Transparency Measures Act (“**ESTMA**”), which became effective June 1, 2015, requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments, including Indigenous groups. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments, and any other prescribed payment over \$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to \$250,000 (which may be concurrent). Liberty Gold commenced ESTMA reporting in fiscal 2017. If the Corporation becomes subject to an enforcement action or in violation of ESTMA, this may result in significant penalties, fines and/or sanctions imposed on us resulting in a material adverse effect on our reputation.

## **Dividend Policy**

No dividends on the Common Shares have been paid by the Corporation to date. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Corporation’s operating results, financial condition and current and anticipated cash needs. At this time, the Corporation has no source of cash flow and anticipates using all available cash resources towards its stated business objectives and retaining all earnings, if any, to finance its business operations.

## **BLACK PINE PROJECT**

On September 10, 2018, Liberty Gold Corp. released the “*Technical Report on the Black Pine Gold Project, Cassia County, Idaho, USA*”, effective July 23, 2018 and dated September 7, 2018 authored by Independent Qualified Person Michael M. Gustin, CPG, of Mine Development Associates, and Qualified Persons Moira T. Smith, Ph.D., P.Geo. and William A. Lepore, M.Sc., P.Geo. of Liberty Gold, and prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. The Black Pine Technical Report was filed with Canadian securities regulatory authorities on SEDAR (available at [www.sedar.com](http://www.sedar.com)).

The information contained in this summary has been derived from the Black Pine Technical Report and is subject to certain assumptions, qualifications and procedures described in the Black Pine Technical Report, and is qualified in its entirety by the full text of the Black Pine Technical Report. Reference should be made to the full text of the Black Pine Technical Report.

## **Project Description and Location**

### ***Location and Access to the Property***

The Black Pine gold project is located in Cassia County, Idaho approximately 29 kilometers northwest of the town of Snowville, Utah, the nearest substantial community, and 13 kilometers north-northeast of Curlew Junction, the intersection of Utah State Highways 30 and 42. The approximate geographic center of the Black Pine property is 42.082°N latitude and 113.047°W longitude.

The Black Pine project is located approximately 10 kilometers west of U.S. Interstate Highway 84 (“**I-84**”) and access is available from I-84 and Utah State Highway 30 via improved gravel roads (County Road S36,000W and County Road W9,000S). These connect with Forest Route 201, a USFS-maintained gravel road, for 4.0 kilometers to the property entrance. The property can also be accessed from the north and I-84 via County Road S38,000W, an improved gravel road.

### ***Land Area***

The Black Pine property consists of a contiguous block of 400 unpatented federal lode mining claims, all within Cassia County, Idaho. The claims occupy a combined area of 3,713 hectares as of the effective date of the Black Pine Technical Report and 4,777 hectares and 603 unpatented federal lode claims as of the date of this AIF.



Ownership of the unpatented mining claims is in the name of the holder (locator), subject to the paramount title of the United States of America. The majority of the claims are under the administration of the USFS. As of the effective date of the Black Pine Technical Report, 26 claims in the eastern portion of the property lie partly or entirely within lands administered by the BLM, which has increased to 90 claims as of the date of this AIF. Under the Mining Law of 1872, which governs the location of unpatented mining claims on Federal lands, the locator has the right to explore, develop, and mine minerals on unpatented mining claims without payments of production royalties to the U.S. government, subject to the surface-management regulation of the USFS and the BLM. In recent years, there have been unsuccessful efforts in the U.S. Congress to change the 1872 Mining Law to include, among other items, a provision for production royalties payable to the U.S. government. Annual claim-maintenance fees are the only federal payments related to unpatented mining claims, and these fees have been paid in full through September 1, 2021. County recording fees are also required annually. Liberty Gold's annual holding costs for the Black Pine unpatented mining claims, exclusive of lease fees, were \$106,828 in 2020 and will be \$99,851 in 2021. The unpatented claims do not expire as long as the federal and county fees are paid.

### ***Agreements and Encumbrances***

Liberty Gold obtained its interest in the Black Pine property by way of an agreement with Western Pacific Resources Corp. ("**Western Pacific**") dated June 15, 2016. Under this agreement, Western Pacific received consideration of \$800,000 in cash, a grant of a 0.5% net smelter return royalty ("**NSR**") to Western Pacific, and 300,000 common shares of Liberty Gold. As a result of this transaction, Liberty Gold is the 100% owner of the Black Pine property.

Western Pacific assigned the 0.5% NSR to Deer Trail Mining Company, LLC. This royalty applies to production from the original 345 claims obtained by Liberty Gold from Western Pacific. Mineral production from the entire property is subject to the Idaho Mine License Tax, equivalent to 1.0% of the value of "ores mined or extracted, and royalties received from mining".

Surface rights for access, exploration, and mining of the unpatented claims are fully held by Liberty Gold under the Mining Law of 1872, subject to surface-use regulations under applicable Federal and State environmental law.

### ***Environmental Liabilities***

Liberty Gold retained Stantec to review information regarding potential environmental liabilities or concerns, the results of which are documented in a report by Brown (2016). According to Stantec, Liberty Gold is liable only for disturbance incurred as part of Liberty Gold's exploration activities, or if Liberty Gold causes disturbance of the historical leach pad or other designated areas.

### ***Environmental Permitting***

All exploration work on unpatented claims is permitted under an existing Plan of Operations approved by the USFS. This PoO (#2011-030938-B) was granted to Western Pacific by the USFS on June 2, 2011 and subsequently amended on May 30, 2012. A cash bond totaling \$67,300 was posted with the USFS to cover potential reclamation costs. PoO 2011-030938-B was transferred to Pilot Gold (USA) Inc. in 2016 and assigned a new number (#2016-063179), and the bond amount was increased to \$206,400. PoO #2016-063179 authorizes 33.12 acres of disturbance (13.4 hectares). A total disturbance of 5.4 hectares was created by Western Pacific and Liberty Gold, of which 2.3 hectares have been reclaimed. As of the effective date of the Black Pine Technical Report, there is an estimated total unreclaimed disturbance of 3.1 hectares, leaving 10.3 hectares of disturbance available for Liberty Gold's exploration activities.

In May 2017 Liberty Gold submitted an application for a new PoO to the USFS which was approved (PoO-2017-072046) on February 12, 2019, allowing a total of 57 hectares of disturbance. A further amendment to this same PoO was approved on February 17, 2021 bringing the total of permitted disturbance up to 224.8 acres (91.0 hectares). An additional cash bond for \$551,700 was posted with the USFS in January 2021.

## History

### *Exploration History*

Numerous prospects and small mines in the Black Pine Mountains exploited base- and precious-metal deposits commencing in the late 1800s and extending into the early 1900s, when minor amounts of zinc, silver, and mercury were produced. Gold was discovered in the late 1930s or early 1940s at the Tallman mercury mine, located within the current Black Pine project, and a small open pit was operated at Tallman from 1949 to 1955 with total production reported to be 109,000 tonnes with an average gold grade of 5.14 g Au/t.

From 1963 through mid-1990, Newmont Mining, Kerr Addison Mines Ltd, Gold Resources Inc. (“**Gold Resources**”), Permian Exploration Account (“**Permian**”), ASARCO, Pioneer Nuclear Inc. (“**Pioneer**”), Pegasus Gold Corp. (“**Pegasus**”), Inspiration Resource Corp., and Noranda Exploration, Inc. (“**Noranda**”) explored various portions of the Black Pine property. During this period, extensive soil-sample geochemical grids were completed and a total of 66,681 meters are known to have been drilled in 775 drill holes. Approximately 99% of the holes and meters were drilled using reverse-circulation (“**RC**”) and conventional rotary methods, with seven of the holes drilled using diamond-core methods.

In 1986 through 1989, Noranda completed 536 of the holes mentioned above and discovered and delineated several zones of disseminated, sedimentary-rock-hosted gold mineralization. Noranda then produced a feasibility study in 1990 prior to selling the property to Pegasus in June 1990. Pegasus put the property into production in late 1991 as an open-pit run-of-mine (“**ROM**”) heap-leach operation that closed in 1997. During this period, Pegasus also drilled 1,082 RC holes and 16 core holes, for an aggregate total of 117,602 meters.

Approximately 26.5 million tonnes of waste rock and 31 million tonnes of ore were mined by Pegasus between 1991 and 1997, with 434,800 ounces of gold produced at an average gold recovery of 65%. The heap-leach pad was rinsed and reclaimed after production ceased.

The property was idle from 1999 to 2009. Western Pacific acquired the property by staking in 2009, carried out geophysical surveys, and drilled 35 RC holes prior to vending the property to Liberty Gold in 2016.

Since acquiring the project, Liberty Gold has undertaken extensive data compilation and analysis, collected and analyzed 126 surface rock-chip samples, and drilled 13 RC holes for a total of 2,077 meters.

### *Historical Resource and Reserve Estimates*

A number of resource and reserve estimates were carried out by historical operators, none of which are significant as most of the mineralized materials included in these historical estimates have since been mined.

### *Past Production*

The Silver Hills, Ruth, Mineral Gulch, and Hazel Pine mines, all within the current property boundary, were located along the eastern edge of the Black Pine Mountains and operated between approximately 1915 and 1920, with the Silver Hills mine producing until 1932. Production was mostly on the order of a few tens to hundreds of tonnes from veins containing quartz, tetrahedrite, sphalerite, jamesonite, pyrite, and oxides of copper, zinc, antimony and iron (Anderson, 1931; Brady, 1984).

According to Prochnau (1985), the Virmyra Mining Company operated the Tallman pit from 1949 through 1955. Gold production from this operation was estimated to be 109,000 tonnes with an average gold grade of 5.14 g Au/t (Hefner et al., 1991). The ore was treated by cyanide vat leaching. The tailings from this operation contained an estimated 0.026 oz Au/ton (0.89 g Au/t), indicating recoveries of approximately 80% (Prochnau, 1985).

After acquiring the Black Pine property from Noranda in mid-1990, Pegasus constructed a cyanide heap-leach pad and gold recovery plant and began extraction of mineralized material from the Tallman pit in October 1991 (Pegasus 1993 Annual Report). The first gold was poured on January 9, 1992. Pegasus subsequently mined five additional pits

through 1997. Material was mined from the open pits at a rate of approximately 37,000 tons (33,600 tonnes) per day and ROM ore was placed on a multiple-lift, valley-fill leach pad. Gold was recovered using carbon adsorption and doré bars were produced after solvent electrowinning. Approximately 26.5 million tonnes of waste rock and 31 million tonnes of ore were mined between 1991 and 1997 (Sawyer, undated).

Mining ceased at Black Pine in late 1997 and the heap-leach pad was subsequently rinsed and reclaimed (Sawyer, undated; Powell, 2012a). Table 1 summarizes the production reported by Pegasus in annual reports and SEC filings, which differ slightly from similar information found in other reports (e.g. Pegasus internal reports, Intierra website, Sawyer, undated).

**Table 1 -1990s Production Summary of the Black Pine Mine (metric tonnes and grams)**

	1992	1993	1994	1995	1996	1997	1998	Totals
*ROM Ore mined (tonnes 000's)	2,850	3,270	5,810	7,050	8,730	2,650	-	30,360
*Stripping ratio	-	1.3	1.16	1.16	0.98	2.43	-	1.13
*Average gold grade (g/t)	0.55	0.82	0.69	0.72	0.52	0.55	-	
*Gold recovery percentage	-	80%	54%	59%	60%	61%	-	
**Ounces of gold to heap leach	109,080	88,438	130,270	164,316	147,186	26,320		665,610
*Ounces of gold recovered	48,700	66,100	65,700	108,500	87,900	44,100	13,800	434,800
Calculated gold recovery								65%
*Ounces of silver recovered	14,900	28,600	39,100	59,300	31,000	16,200	-	189,100

\*from Pegasus Gold Annual Reports, SEC Form 10-K filings, and BPMI closure report by Sawyer et al.

\*\*from Pegasus Gold internal yearly production statements

## Geological Setting and Mineralization

### Regional Geology

The Black Pine property is located in the northeastern portion of the Basin and Range physiographic province, near the late Proterozoic rifted continental margin of North America. Rifting was followed by late Proterozoic and early Paleozoic subsidence, and accumulation of a thick sequence of continental margin siliciclastic and carbonate rocks ranging from near-shore sandstone and shale, to offshore carbonate reef and lagoonal deposits. Beginning in the middle of the Paleozoic era, plate collisions from the west led to a series of intra-plate contractional orogenic events, starting with the emplacement of the Roberts Mountains allochthon (“RMA”) in Late Devonian and Early Mississippian time. Although the RMA is located to the west of the Black Pine Mountains, it shed siliciclastic material into a foreland basin that stretched across much of what later became the eastern Great Basin, defined as the hydrographic region across the western United States that has no hydrologic connectivity to the ocean, including portions of Nevada, Oregon, Utah, California, Idaho, and Wyoming. Subsequently, the Pennsylvanian-age Humboldt orogeny (Theodore et al., 1998), caused folding of the rocks in the Black Pine area. In the Middle to Late Jurassic epochs, much of the area along the Nevada-Utah border was affected by an orogenic event known as the Elko orogeny, characterized by thrusting and attenuation faulting, with local areas of low-grade metamorphism (Thorman and Peterson, 2004). Later, the mid-Cretaceous Sevier orogeny caused widespread, primarily thin-skinned, east-vergent folds and thrust faults throughout the eastern Great Basin. There is some evidence that the Laramide orogeny may also have affected this region in the Late Cretaceous epoch.

In the Paleocene, contractional deformation gave way to extensional deformation across the Great Basin. Throughout most of the Cenozoic, extension involved low-angle normal faults, with up to 100 kilometers of offset, which has resulted in the exposure of high-grade metamorphic rocks on the surface. Listric normal faults associated with these low-angle normal faults tilted strata as young as Miocene in age, generally in an eastward direction. The latest manifestations of extension are “Basin and Range” style block faults that divide the Great Basin into its characteristic horsts and grabens.

The Black Pine Mountains are predominantly underlain by Devonian to Permian sedimentary rocks, some of which are weakly metamorphosed. These occur in two major structural blocks, separated by a fault which transects the range from southwest to northeast. The southern block, which includes the Black Pine project, consists largely of structurally

interleaved members of the Permo-Pennsylvanian Oquirrh Group, including limestone, sandstone, dolomite, and siltstone. The Oquirrh Group is a regionally significant unit that hosts mineralization elsewhere in the northeastern Great Basin, for example, in the Bingham Canyon District (Shaddrick et al., 1991; Hintze, 1991).

### ***Property Geology***

The Black Pine property is located within the southern structural block of the Black Pine Mountains where exposures consist of the lower plate units of the Jefferson Formation and Manning Canyon Shale, along with middle and upper plate units of the Oquirrh Formation, including weakly metamorphosed limestone and dolomite, silty and sandy limestone, calcareous sandstone and siltstone, quartzite, and shale.

### ***Stratigraphy***

The stratigraphy in the project area records the transition from the top of the Devonian shelf and platform, through foreland-basin sedimentation associated with the mid-Paleozoic Antler orogeny, to basin and platform conditions that persisted throughout much of the late Paleozoic era.

*Jefferson Formation (Dj):* The Jefferson Formation is the oldest stratigraphic unit exposed in the project area. It is Devonian in age, and consists of dolostone with minor sandstone and quartzite, representing very shallow water to intertidal conditions on the inner shelf, with some contribution of siliciclastic material from highlands to the east. It is found in the lower structural plate in the lowest-elevation areas in the western part of the property.

*Manning Canyon Shale (\*Mmc):* The Manning Canyon Shale consists of up to 2,000 meters of recessive-weathering, dark grey to black argillite, and siliceous shale and siltstone with minor quartzite and limestone. It is Late Mississippian in age in the Black Pine area. The Manning Canyon Shale formed in response to emplacement of the Roberts Mountains allochthon over areas to the west, reflecting foreland-basin sedimentation. It is present in the lowest structural plate in the western part of the property and is recessive weathering.

*Oquirrh Group:* The Oquirrh Group represents sedimentation over a long period of time into a shallow basin and platform setting. Rocks assigned to the Oquirrh Group are present over much of the northwestern part of Utah and locally into southern Utah. In more well-studied portions of the Oquirrh Group, thicknesses and rock types vary significantly in different mountain ranges, as well as between thrust sheets. In general, however, it consists of a lower Pennsylvanian unit dominated by limestone, a middle Pennsylvanian unit that is a mixture of quartz sandstone, shale, and limestone, and an upper Pennsylvanian unit dominated by quartz sandstone. These have been divided into a number of formations and members, depending on location.

*Cenozoic Intrusive Rocks:* Narrow dikes and sills of andesite have intruded the Paleozoic rocks in the Black Pine project area. They are typically up to a metre in width and contain phenocrysts of feldspar, hornblende, and biotite. Alteration typically consists of chlorite, sericite, and pyrite with some clay. At surface and in drill holes, the dikes are typically strongly oxidized to a deep orange-brown color and strongly sericitized. In some drill intervals, they have a light-grey color, contain chlorite and brassy disseminated pyrite, and are associated with clear quartz veins. The dikes are only rarely mineralized.

### **Alteration and Mineralization**

Gold mineralization, consisting of finely-disseminated, micron- and submicron-size gold particles, is located in calcareous shale and siltstone, as well as fault and dissolution breccias, in the Oquirrh Group middle plate, particularly where these favorable stratigraphic units intersect, or lie along, large normal faults. Gold was likely hosted within the lattice of arsenical pyrite rims on pyrite grains, but the mineralized rocks are now thoroughly oxidized, such that gold is present as “free” gold, associated with goethite, hematite, limonite, scorodite, barite, and silica. Gold-bearing rocks are typically strongly decalcified, with areas of weak to moderate silicification (jasperoid). Areas of calcite veining or calcite-cemented breccias are common, probably as a result of decalcification. Lenses of carbonaceous material, either remobilized or concentrated by decalcification, are locally present.

### ***Location of Mineralization – Historical Pits and Vicinity***

During the historical Pegasus mining operation, gold-mineralized material was extracted from six pits, namely the Tallman pit, the B/B Expansion pit, A pit, E pit, I pit, and the C/D pit. Gold is distributed throughout the middle structural plate, but higher grades are focused in more favorable stratigraphic units, such as calcareous siltstones, and in association with moderate- to high-angle faults. Favorable faults are brittle in nature and strike northwest in the Tallman, B, C, D, and E pits. Others strike northeast in the Tallman, C, D, A, and I pits and north in the E pit. Gold appears to be concentrated along and in the immediate footwall of some of these faults, where less favorable massive limestone or sandstone are present in the hanging wall (Tallman NE and B Ex pits).

Gold is present in a large number of historical drill holes in unmined areas, particularly in areas adjacent to the historical open pits. Gold mineralization remains in-situ beneath and peripheral to the historical pits, which presents an opportunity for defining and extending mineralization in these areas. In particular, historical “reserves” were defined to the north and west of the A pit, but these areas were never mined.

### ***Gold Mineralization and Soil Anomalies***

Several drilled targets outside of the mined pits are also present, including the “J” anomaly on the north side of Mineral Gulch, and the SE Extension anomaly along the eastern edge of the property. All are open to expansion through further drilling. The possibility for discovering additional gold zones is also present in extensive, largely untested soil geochemical anomalies throughout the property. One of the largest is the F Trend anomaly that extends northwest from the C/D pit for approximately 1.0 kilometers to the south end of the E pit and for nearly 1.0 kilometers between the B pit and the northwest end of the C/D pit. Large soil anomalies are also present to the west of the I pit (SW Ex Anomaly), between the B pit and the northwest end of the C/D pit, northeast of the E pit, and the H anomaly west-southwest of the J anomaly. Very little drilling, to no drilling, has been carried out in these areas.

### ***Deposit Types***

Black Pine mineralization is best described to be in the class of sediment-hosted Carlin-style gold deposits (“CTGDs”). While CTGDs are not unique to the eastern Great Basin, they exist in far greater numbers and total resource size in northern Nevada than anywhere else in the world. They are characterized by concentrations of very finely disseminated gold principally in silty, carbonaceous, and calcareous marine sedimentary rocks. The gold is present as micron-size and smaller disseminated grains, often internal to iron-sulfide minerals (arsenical pyrite is most common), or with carbonaceous material in the host rock. Free particulate gold, and particularly visible free gold, is not a common characteristic of these deposits. The term “Carlin-style” is often used to describe gold deposits that exhibit most of the characteristics of a Carlin-style deposit, but that are not located on one of the major trends.

The Black Pine gold deposits also have characteristics that differ from typical CTGDs. The general location of the project is outside the major gold deposit trends in Nevada. There are multiple silver-lead-zinc occurrences within the Black Pine property, although the temporal association with the gold mineralization is not clear. Some workers have suggested the silver-lead-zinc mineralization is part of a vertical zonation, now juxtaposed laterally by extensional faulting (Ohlin, 1988).

### **Exploration**

#### ***Historical Data Compilation and Project Database Construction***

Liberty Gold inherited several historical data packages from Western Pacific. Liberty Gold’s compilation and verification efforts as of the effective date of the Black Pine Technical Report include:

Assembly and verification of raw data export files of drill-hole data into a coherent Access database. Pegasus data files without column headers were re-organized and verified using assay certificates and drill logs from pre-1990 drill-hole data. Assay data reported in troy ounces per short ton were converted to grams per metric tonne using a conversion factor of 34.286. Laboratory assay certificates and drill logs were available for most Noranda holes and some earlier holes, and these were used to validate down-hole assays. Down-hole lithological and alteration data were

obtained from the same raw files, which included a primary lithological unit abbreviation and a secondary lithology or alteration, sometimes including presence of carbon. As of the effective date of the Black Pine Technical Report, the Liberty Gold drill-hole database contains data from a total of 1,874 historical drill holes.

Conversion of historical mine-grid coordinates into the UTM NAD 83, Zone 12 coordinate system. Historical drill-hole collar coordinates, surface-sample locations, and topographic information were transformed using Western Pacific and 2010 Olympus aerial-survey data. The horizontal error ranged from less than 1 metre near the grid origin (near the C/D pit,) to 1.0 meters about 1 kilometer away, to 3.0 meters at the far edges of the project. This error range was determined by using 11 historical mine-grid control points that were found in the field and subsequently surveyed in UTM coordinates by Olympus Aerial Surveys, Western Pacific, BLM, and Liberty Gold. These survey results were then compared to the UTM locations of the control points as determined by the same transformation applied to the historical drill-collar locations.

Verification of historical collar locations and surface samples after coordinate transformation. Air-photo disturbance images from 1992 and 1998, georeferenced drill-hole maps from Noranda, and CAD maps from Pegasus were used to validate drill-collar locations following the coordinate transformation. This led to the identification of only two drill holes that were mis-located, and the locations of these holes were corrected. Noranda road-cut rock samples from in the lower F zone and J anomalies were adjusted following coordinate transformation, with their correct locations apparent from sample distributions relative to present-day reclaimed road alignments and historical aerial photos, as well as geo-referenced sample maps.

Creation of an as-mined bedrock surface topography through clipping and merging pre-mine topography beneath dumps. As-built pit topographic maps were merged, and as-mined pit topography maps were created by digitizing bench surveys in ArcGIS 3D. A pre-mining topographic surface was also created. For the as-mined topography compilation, CAD files in the local mine grid were imported into an ArcGIS Geodatabase using the coordinate transformation, and elevations in feet were converted to meters. Historically surveyed, as-mined topographic maps for the Tallman, B pit, I pit, and D-north pits, all currently partially back-filled, were used to create the as-mined topography. A 2010 Orthophoto digital elevation model (“DEM”) was to create the as-mined topography for the Tallman NE, B Extension, A, and C/D pits, as these pits were for the most part not backfilled. Pit-wall failures or partial back filling occurred in the E, C/D, and A-West pits. Portions of historical topographic data, consisting of either pit designs corroborated with blast-hole data or digitized bench surveys, were used to reconstruct an accurate as-mined bedrock surface for these pits.

Recovery and compilation of surface geochemical data (soil and rock samples) from Pegasus database exports. Verification of soil-sample locations included comparisons to georeferenced maps of original soil grids and rock-sample locations, where available. As of the Effective Date of the Black Pine Technical Report, a total of 10,560 soil samples and 4,802 rock samples within the Liberty Gold property boundary have been attributed with coordinates and gold assay data.

Geologic map compilation. Surface geological maps created by Noranda were not updated significantly during the Pegasus operations. The Noranda map by Ohlin (1989) is still the best available historical property-scale geological map. Registration, digitization, and spot checking of Ohlin’s map have been performed. Pit maps by Willis (2011) for Western Pacific have been registered and transformed into UTM NAD83, but these have not been used or extensively field-checked, although the mapping correlates well with down-hole lithology. USGS mapping by Smith (1982) provides geological information on a regional scale. These maps are gradually being amalgamated into a single geological map for the entire property, as the pit maps provide geological information that was not available prior to mining.

Recovery of blast hole data. As of the Effective Date of the Black Pine Technical Report, a database of 61,704 blast-hole data points has been recovered, verified, and assembled. The blast holes are from E pit (12,987 - complete), A pit (36,398 – partial), C/D pit (7,418 – partial), and I pit (4,901 – partial). Also recovered are 63,861 blast-hole intervals from C/D pit with corrupted coordinates (currently unusable). Liberty Gold believes that there are more blast-hole data contained within the data files, and recovery efforts remain ongoing. Comparison of the complete set of blast-hole data and exploration drill-hole assays within the E pit demonstrates the importance of the data density provided by the blast holes in modeling the complex, strongly structurally controlled gold mineralization at Black Pine.

**Liberty Gold Rock Sampling**

Liberty Gold has carried out a limited surface rock-sampling program to characterize mineralization and alteration on the Black Pine property on underexplored gold-in-soil anomalies beyond the limits of historical pits. In 2017 and 2018, 126 rock samples were collected throughout the property, primarily as grab samples. Gold assays of the samples ranged from below detection limit to a high of 3.01 g Au/t. In addition, Liberty Gold spot-checked many of the Western Pacific rock-chip sample sites. Liberty Gold believes the rock-chip sampling indicates gold is most closely associated with oxidation, decalcification, and argillization, primarily in deformed silty limestones and faults.

**Drilling**

Liberty Gold has compiled information for a total of 193,577 meters drilled in 1,921 holes within the Black Pine property as summarized in Table 2. Thirteen of these holes were drilled in 2017 by Liberty Gold and the balance were drilled by historical operators. Approximately 99% of the holes and meters were drilled using conventional rotary and RC methods, and 23 of the holes were drilled using diamond-core methods, but there is no data currently available for the 34 conventional rotary or RC holes drilled by ASARCO in 1977. Other than the core holes, many of the historical holes lack explicit designation as to the type of drilling method, specifically conventional rotary versus RC. In many cases, these are assumed to be RC holes, but it is likely that some are conventional-rotary holes, especially the older holes. In addition to the 34 ASARCO holes that lack all data, Liberty Gold has no assay data for two Newmont holes drilled in 1964 (P16-64 and P17-64).

**Table 2 -Summary of Black Pine Project Drilling**

Company	Year	Rotary & RC Holes		Core Holes		Totals	
		Holes	Meters	Holes	Meters	Holes	Meters
Newmont	1964, 1974	37	3,091			37	3,091
Gold Resources - PEA	1974 - 1976	13	1,080	3	135	16	1,215
ASARCO	1977	34	no data			34	no data
Pioneer Nuclear	1979 - 1981	28	2,442			28	2,442
PEA - Pegasus	1983 - 1984	123	8,245	1	76	124	8,321
Noranda	1986 - 1989	533	51,454	3	158	536	51,612
Pegasus	1990 - 1997	1,082	116,448	16	1,154	1,098	117,602
Western Pacific	2011	35	7,217			35	7,217
<i>Historical Total</i>		<i>1,885</i>	<i>189,977</i>	<i>23</i>	<i>1,523</i>	<i>1,908</i>	<i>191,500</i>
Liberty Gold	2017	13	2,077			13	2,077
<b>Totals</b>		<b>1,898</b>	<b>192,054</b>	<b>23</b>	<b>1,523</b>	<b>1,921</b>	<b>193,577</b>

The majority of the historical holes were drilled vertical, or within 10° of vertical; roughly one-third have been drilled as angled holes, including 676 holes drilled at angles shallower than -75°. The geometry of gold mineralization at Black Pine varies considerably from shallowly- to steeply-dipping mineralized stratigraphic units and faults, and historical operators appear to have generally designed drill holes to intersect mineralization as obliquely as possible. There are some holes that are poorly oriented with respect to mineralization, especially in cases of vertically oriented holes that intersected mineralization controlled by high-angle structures or steeply dipping stratigraphy. These are overwhelmingly in areas of dense delineation drilling around mined orebodies. In these cases, down-hole lengths of gold intersections can significantly exaggerate true thickness. All of the Liberty Gold holes were drilled at angles shallower than 75°.

## **Sample Preparation, Analysis and Security**

### ***Liberty Gold Surface Samples***

A total of 122 rock samples were collected by Liberty Gold personnel and transported to the ALS sample preparation facility in Elko, Nevada. Sample weights were generally between 1 and 2 kilograms. The samples were crushed to 70% at -2.0 millimeter, split to obtain a 250-gram subsample, and the subsample was pulverized to 85% at -75 microns. The pulverized splits were shipped by ALS either to their assay laboratory in Reno, Nevada or North Vancouver, B.C., where in both cases gold was determined by 30-gram fire assay with an AA finish (method code Au-AA23). Separate 1.0-gram aliquots were analyzed for 51 major, minor, and trace elements by ICP-AES and MS following aqua-regia digestion (ALS method code ME-MS41).

ALS is independent of Liberty Gold. The ALS analytical facility in North Vancouver, B.C., is certified to ISO 9001:2008 standards and has received ISO/IEC 17025:2005 accreditation from the Standards Council of Canada. The ALS laboratory in Reno, Nevada, is certified to ISO 9001:2008 standards and has received ISO/IEC 17025:2005 accreditation.

### ***Liberty Gold Drilling Samples***

The drill samples were transported periodically by Liberty Gold personnel, or by ALS personnel, to the ALS laboratory in Elko, Nevada. After drying and weighing, the samples were crushed to 70% at -2.0-millimetre particle size. The crushed material was riffle split to obtain a 250-gram subsample that was ring-mill pulverized to 85% at less than 75 microns. The sample pulps were shipped by ALS to their assay laboratory in Reno, Nevada, where 30-gram aliquots were analyzed for gold by fire assay fusion with an AA finish (ALS method code Au-AA23). Separate aliquots were also analyzed for cyanide-soluble gold by AA after a 1.0 hour agitated leach in a 0.25% NaCN solution (ALS method code Au-AA13).

Drill samples returning results greater than 5.0 g Au/t were re-assayed using another 30-gram aliquot and fire assay fusion followed by a gravimetric finish (ALS method code Au-GRA23). Silver and 50 major, minor, and trace elements were analyzed by a combination of ICP-AES and MS using a 1.0-gram aliquot following an aqua-regia digestion (ALS method code ME-MS41) at the ALS laboratory in North Vancouver, B.C.

Liberty Gold employs a blind numbering system for RC samples, such that the hole number and down-hole footage are not known to the assay laboratory.

### ***Sample Security***

No information is available concerning security measures used by historical operators for surface and drilling samples. Liberty Gold's surface samples were transported by Liberty Gold personnel to the ALS sample preparation laboratory in Elko, Nevada. The 2017 drilling samples were stored at the Black Pine drill sites for a few days prior to transport to the ALS laboratory in Elko, Nevada by either ALS personnel or Liberty Gold personnel.

### ***Liberty Gold Quality Assurance/Quality Control ("QA/QC")***

The QA/QC program instituted by Liberty Gold for the 2017 drilling included the insertion of coarse blanks, certified reference materials ("CRMs") as standards, and RC field duplicates into the RC sample stream. A minimum of one CRM, one blank, and one field duplicate was inserted into the sample stream for every 36 drill samples, which is the number of samples in each ALS analytical batch.

### **Data Verification**

#### ***Drill-Hole Collar Audit***

The authors of the Black Pine Technical Report were provided with scans of historical Noranda drill-hole plan maps that show pre-mine topographic contours and drill-collar locations of many of the holes drilled in 1987 and earlier.



These maps were used to qualitatively assess the general accuracy of the hole locations as represented in the current project database. Ten percent of the holes drilled by Gold Resources, Pioneer Nuclear, Pegasus, and Noranda in this time period were qualitatively checked, using visual assessments of drill-hole x-y locations relative to topographic contours, as well as approximate hole elevations as indicated by the contours. The database drill-hole locations of the holes checked are generally in agreement with the locations as indicated on the historical maps, although several appeared to be off by 15 to 30 meters. These discrepancies were reported to Liberty Gold for further assessment. The locations of three Liberty Gold holes and two Western Pacific holes were checked by Mr. Gustin using a handheld GPS.

### ***Down-Hole Survey Audit***

There are no down-hole deviation data for any of the historical drill holes. Deviation data in the project database for four of the Liberty Gold holes were checked against original digital files created during down-hole surveying completed by International Directional Services, and no discrepancies were found.

### ***Assay Database Audit***

A total of 285 of the 1,887 drill holes in the project database were randomly chosen for auditing, but assay backup data were found for only 96 of these holes. None of the Pegasus holes drilled from 1990 to 1995 have backup data, and 157 holes chosen for auditing were drilled during this period. When backup data were lacking for holes not drilled in 1990 to 1995, attempts were made to find audit data for other holes, which led to the auditing of 26 additional holes that were not originally chosen for auditing. Ultimately, the assay data from 14% of the holes in the project database not drilled in 1990 to 1995 were audited. The backup data generally consisted of copies of original assay certificates, although handwritten gold results on geologic logs were sometimes used when no assay certificates were available.

### ***Site Inspection***

Mr. Gustin visited the Black Pine project site on May 2, 2018. The site visit included inspections of the historical open pits, as well as traverses outside of the pits, which together served to provide Mine Development Associates (“MDA”) with an overview of the project geology. Mineralization from open-pit exposures was examined, as were numerous unaltered and altered (and possibly mineralized) outcrops outside of the open pits. Following the site visit, Mr. Gustin visited Liberty Gold’s office in Elko on May 3 and reviewed the digital drill-hole database and associated historical documents and discussed the current geologic interpretations with Liberty Gold technical staff.

### **Mineral Processing and Metallurgical Testing**

A significant number of historical reports are available that document metallurgical testing completed prior to the Pegasus mining operations that began in 1991. The reports reviewed by the authors as of the effective date of the Black Pine Technical Report are summarized in chronological order below.

**Potter (1974):** The U.S. Bureau of Mines Salt Lake City Metallurgy Center carried out column-percolation cyanidation tests on two samples (BP7 and BP9) with calculated head assays of 2.71 g Au/t and 6.75 g Au/t, respectively. A total of 5 kg of minus 2-inch material from sample BP7 and 8 kg of minus 2-inch material from BP9 were leached in glass columns. BP7 was leached for 191 hours, recovering 87.4 per cent of the gold to activated carbon. BP9 was leached for 701 hours, with 80.2% extracted to activated carbon.

**Ennis (undated – 1975?):** Gold Resources commissioned Newport Minerals, Inc. of Cripple Creek, Colorado to carry out crush-leach testing on a 136-kilogram composite sample with a head grade of approximately 15 g Au/t. Five tests were done at various particle sizes, including “as received”, 1 inch, ¾ inch, ½ inch, and 3/8 inch. Samples were leached “in a barrel” for 7 days. The “as received” sample showed “approximately 70%” extraction, with 73% for the 3/8-inch sample.

**Dawson (1980):** Pioneer commissioned Dawson Metallurgical Laboratories, Inc. of Murray, Utah to carry out a 48-hour leach of a “composite of samples” ground to 90% passing 200 mesh. The conclusion was that “an appreciable portion of the gold does not leach”, possibly “due to carbonaceous matter” in the tested sample.

**Dix (1984):** Kappes, Cassiday & Associates (“KCA”) of Reno, Nevada carried out cyanide leach tests on three samples from the Tallman mine. Sample BP1 had a grade of 7 g Au/t; BP2 assayed 1.37 g Au/t, and BP3 had a gold content of 0.21 g Au/t. Two 58-day leach tests were carried out on minus 4-inch and minus ½-inch material from BP1, with gold extractions of 75% and 81%, respectively. Agitated cyanide tests were run for 24 hours on portions of pulverized head samples. The average extraction for BP1 and BP2 was 93%. BP3 was found to contain strongly “preg robbing” carbonaceous material.

**Defilippi (1988):** In 1988, KCA carried out tests on a composite sample of Black Pine carbonaceous mineralization, made up of 34.14 meters of drill core and a total weight of 372.2 kg. The sample was subjected to double oxidation, chlorination with hypochlorite, thiourea leaching, carbon-in-leach (“CIL”), and roast/cyanide leach tests. Most techniques did not significantly increase extractions over those obtained from direct cyanidation. However, “straight oxidation with hypochlorite gave gold recoveries of 88% with the addition of 320 pounds (145 kilograms) of calcium hypochlorite per ton of ore”, and, “roasting the ore at 540 degrees C for two hours followed by straight cyanidation gave gold recoveries of 80%.”

**Yernberg (1988):** According to a copy of a report by Senior Metallurgist W.R. Yernberg of KCA that is missing the first 18 pages and some details and results, 8 bottle-roll tests were carried out on 500 grams of pulverized material that was agitated for 24 or 48 hours in different sets of tests. With one exception, gold extractions ranged from 78.3 to 89.7%. A single sample had an extraction of 50% and was found to be moderately preg robbing.

Continuously drained drip-leach column tests were carried out with backhoe samples and drill core. Backhoe samples included splits of three samples processed at minus 3-inch and minus 1-inch particle sizes, and these were leached for 60 days. Five core samples were crushed to 1.5 and ½ inch and were leached for 40 or 60 days in separate tests. Two of the 1/2” columns required agglomeration. Tailings screen analyses were employed to look at the effectiveness of leaching in different size fractions within the samples. Leaching was significantly more effective for the smaller size fractions than the larger ones.

**Clemson (1988):** This study provided an in-depth look at the distribution of gold in oxidized and unoxidized mineralized materials in the Black Pine deposits. Extremely fine-grained native gold was noted in oxidized samples, averaging two microns in diameter, associated with hematite, quartz, and calcite. Some silica encapsulation was noted.

The report describes bottle-roll testing undertaken at Lakefield Research of Peterborough, Ontario, Canada. Samples of drill chips were ground to -20 mesh and screened at minus 35, 100, 200, and 500 mesh, and the various screen fractions were assayed for gold. No enrichment of gold in any of the size fractions was noted. Ten samples were used for the study, with results for the minus 200-mesh fraction reported for all samples. Gold extractions for seven of the ten samples ranged from 81.9% to 92.4%. Three of the samples yielded very low recoveries; these samples contained preg-robbing carbonaceous material. A number of techniques were applied to these samples in an attempt to improve extraction; grinding to 86% passing minus 400 mesh, roasting at 600 degrees C, and then leaching was found to be the most effective method.

**Dix (1990):** KCA performed 4-hour agitated cyanide-leach tests on 10 1-kilogram “as received” chip samples (nominally ¼-inch particle size), and the data were compared to conventional fire assays. Gold extractions ranged from 78.1% to 97.5% and averaged 87.5%.

Liberty Gold has no historical records documenting metallurgical testing that Pegasus may have carried out. However, production records from the Pegasus operation indicate that from 1991 through 1997, the average gold recovery by ROM heap leaching was 65%. The highest annual average recovery reported was 80% in 1993, and the lowest was 54% in 1994.

## **Recommendations**

Liberty Gold has clear potential to outline mineralization of economic interest at the Black Pine property and the project therefore warrants significant additional investment. Based on compilation of historical data and Liberty Gold drill results to date, an aggressive drill program should be implemented. This drilling should focus on the extensions

of previously mined mineralization in historic pits, as well as test other targets, both drilled and undrilled, that Liberty Gold is in the process of identifying and prioritizing.

MDA recommends a US \$2,000,000 Phase 1 work program (including land holding costs) that includes 10,000 meters of RC drilling, followed by a 43-101 compliant resource estimate. The goal of this drilling would be to test for down-dip and strike extensions to gold mineralization in areas of historical open-pit mining, including the B, A, and C/D pits, to achieve a sufficient drill density to support resource estimation. Some drilling also should be allocated to initial and continued testing of undrilled or poorly drilled targets, including the F Zone, A Basin, SWX, J, and H Zones. If positive results are received from any of these targets, more detailed infill drilling should be undertaken. Assuming sufficiently positive results are obtained from Phase 1 exploration work, a resource estimate should be completed following the completion of the Phase 1 program.

Subject to sufficiently positive Phase 1 results, a Phase 2 exploration program, totaling US \$5,000,000 program (including land holding costs), is recommended. This program should include at least 30,000 meters of definition drilling of areas along the historical mine trend, as well as initial drill testing of outlying target areas. Metallurgical testing should also be undertaken as part of the program, with samples collected from large-diameter core. Column-leach testing of oxidized materials should be a major part of the testing program. An updated resource estimate and a subsequent Preliminary Economic Assessment should be carried at the appropriate time during the Phase 2 program, with the goal of assessing the potential economic viability of the project.

### Recent Developments

Subsequent to the release of the Black Pine Technical Report:

1. Plan of Operations POO-2017-072046, permitting drilling activities over a 7.3 km<sup>2</sup> area, was approved by the US Forest Service on February 12, 2019. Receipt of this permit allows for Liberty Gold to drill from up to 340 sites over the main areas of interest on the property
2. An amendment to the Plan of Operations for access to additional areas identified was approved on February 18, 2021. The amendment adds an additional 4.6 km<sup>2</sup> to the project area, including up to 50.7 additional acres of disturbance consisting of up to 15.3 additional miles of roads and up to 154 additional drill pads.
3. Additional claims were staked in three separate occasions on BLM-administered lands on all sides of the original property. The total project area now covers 47.8 km<sup>2</sup>.
4. Additional geological mapping, drilling, compilation and 3D modeling allowed for a better understanding of the distribution and controls on gold mineralization.
5. Phase 1 metallurgical testing was carried out on six 300 kg bulk samples:
  - Gold extractions from six column leach tests produced a weighted average<sup>4</sup> 78.9% gold extraction. With a range up to 92.8% gold extraction.
  - Gold extraction was rapid, with >80% of the leachable gold extracted within the first 10 days of column leaching.
  - Six coarse bottle roll tests (target of 80% passing 10 mesh or 1.7mm particle size) produced a weighted average 79.1% gold extraction.
  - Six fine bottle roll tests (target of 80% passing 200 mesh or 75 micron particle size) produced a weighted average 81.8% gold extraction.
6. Phase 2 metallurgical column testing was carried out on 29 variability composites:
  - Twenty-nine column leach tests produced a weighted average<sup>4</sup> 82.9% gold extraction, with a range up to 94.5% gold extraction.
  - Gold extraction was rapid, with >80% of the leachable gold extracted within the first 10 days of column leaching.
  - Percent gold extraction is well-correlated with head grade, with the highest-grade composites returning the highest extraction numbers.
  - Twenty-nine coarse bottle roll tests (target of 80% passing 10 mesh or 1.7mm particle size) produced a weighted average 78.8% gold extraction.

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<sup>4</sup> Weighted average gold extraction is obtained using the following equation: (composite head grade (g/t) multiplied by extraction (%) for all head grades)/sum of all head grades. Using arithmetic averages tends to over-represent low grade composites and under-represent high grade composites. The arithmetic average of the six column tests is 78.0%.

- Twenty-nine fine bottle roll tests (target of 80% passing 200 mesh or 75 micron particle size) produced a weighted average 81.5% gold extraction for direct leach, and 29 fine bottle roll tests produced a weighted average 84.1% for carbon in leach (“**CIL**”).
  - Gold extraction is relatively insensitive to particle size. Most composites can be projected to coarse particle sizes approximating run of mine conditions without significant loss of gold extraction.
7. In 2019, a 19,650 m RC drilling and 1,250 m Core drilling program was completed. Highlights include<sup>5</sup>:
- D-1 zone:
    - 2.56 g/t Au over 41.1 m, including 4.47 g/t Au over 19.8 m, and including 8.76 g/t Au over 4.6 m in LBP029.
    - 2.18 g/t Au over 10.7 m, including 2.90 g/t Au over 7.6 m and 2.89 g/t Au over 25.9 m, including 4.52 g/t Au over 15.2 m and including 6.63 g/t Au over 6.1 m in LBP027.
    - 1.36 g/t Au over 32.0 m, including 1.95 g/t Au over 16.8 m in LBP025.
    - 1.51 g/t Au over 48.8 m including 5.42 g/t Au over 6.1m, and including 8.17 g/t Au over 3 m and including 10.4 g/t Au over 1.5 m in LBP015.
    - 1.78 g/t Au over 47.2 m including 3.24 g/t Au over 22.9 m in LBP021.
    - 1.45 g/t Au over 45.7 m including 1.99 g/t Au over 29.0 m in LBP016, and
    - 1.19 g/t Au over 38.1 m including 1.63 g/t Au over 25.9 m in LBP014.
  - D-2 zone:
    - 4.39 g/t Au over 53.3 m including 5.76 g/t Au over 38.1 m and including 12.05 g/t Au over 12.2 m in LBP043.
    - 3.40 g/t Au over 62.5 m including 5.01 g/t Au over 33.5 m and including 6.21 g/t Au over 21.3 m in LBP064.
    - 3.14 g/t Au over 44.2 m including 6.53 g/t Au over 16.8 m and including 11.3 g/t Au over 7.6 m in LBP062.
    - 2.51 g/t Au over 41.1 m including 6.69 g/t Au over 7.6m and including 9.11 g/t Au over 4.6 m in LBP051.

RC drilling was focused in a 1 km<sup>2</sup> area bounded by the historic B pit to the southwest, the historic A pit to the east, and the A Basin target of historic drilling to the northwest. Drilling targeted modeled extensions to higher-grade mineralization exposed in the pit walls and on surface at A Basin that projected under an intervening ridge. Drilling successfully verified the model and identified two new areas of mineralization (Discovery 1 and 2) that returned thick intervals of high-grade oxide mineralization beneath the limit of historical drilling.

8. In 2020 a 170 hole, 43,875 m RC and 2,352 m Core drilling program was completed, identifying new zones of mineralisation. The most significant new zone is the D-3 zone, situated immediately west of and under the D-1 zone. Drilling also targeted a gap in drilling between the historic B and Tallman pits (D-1 Southeast Extension), and expanded several regional targets, including the F, M, J and Rangefront targets, with gold encountered in all areas. Highlights include<sup>6</sup>:
- D-3 zone:
    - 1.98 g/t Au over 33.5 m, including 3.93 g/t Au over 15.2 m, and 1.11 g/t Au over 30.5 m in LBP127.
    - 1.44 g/t Au over 96.0 m, including 1.95 g/t Au over 32.0 m and including 5.31 g/t Au over 1.5 m and 1.86 g/t Au over 29.0 m in LBP152.
    - 1.43 g/t Au over 9.1 m and 1.20 g/t Au over 67.1 m including 2.57 g/t Au over 16.8 m and including 8.51 g/t Au over 3.0 m in LBP138.
    - 1.41 g/t Au over 22.9 m including 1.93 g/t Au over 13.7 m and 1.51 g/t Au over 56.4 m including 2.36 g/t Au over 24.4 m and including 5.86 g/t Au over 3 m in LBP206.
    - 1.01 g/t Au over 62.5 m including 1.94 g/t Au over 25.9 m in LBP189.
    - 1.50 g/t Au over 27.4 m and 0.62 g/t Au over 7.6 m in LBP203.
    - 0.82 g/t Au over 76.2 m including 1.65 g/t Au over 22.9 m in LBP131.
    - 0.98 g/t Au over 80.8 m, including 2.32 g/t Au over 18.3 m and 2.19 g/t Au over 7.6 m in LBP169.

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<sup>5</sup> See the Corporation’s press releases dated June 19, 2019, July 31, 2019, September 12, 2019, October 1, 2019, October 15, 2019, and November 5, 2019.

<sup>6</sup> See the Corporation’s press releases dated June 16, 2020, June 23, 2020, July 14, 2020, July 28, 2020, September 10, 2020, September 29, 2020, November 10, 2020, December 2, 2020, December 22, 2020, and March 24, 2021.

- D-1 Southeast Extension zone:
  - 4.34 g/t Au over 22.9 m, including 10.8 g/t Au over 6.1 m in LBP258.
  - 1.26 g/t Au over 10.7 m, including 1.59 g/t Au over 7.6 m in LBP176.
  - 1.18 g/t Au over 16.8 m including 1.82 g/t Au over 7.6 m in LBP173.
  - 1.06 g/t Au over 32.0 m including 2.34 g/t Au over 10.7 m in LBP168.
  
- F zone:
  - 2.21 g/t Au over 22.9 m, including 7.42 g/t Au over 4.6 m in LBP149.
  - 0.43 g/t Au over 74.7 m including in LBP227.
  - 0.64 g/t Au over 62.5 m including 1.33 g/t Au over 10.7 m in LBP229.
  
- M zone:
  - 1.26 g/t Au over 38.1 m, including 1.74 g/t Au over 22.9 m in LBP256.

Results from five large diameter core holes drilled to support phase 3 metallurgical column testing from the D-1, D-2 and D-3 zones include<sup>7</sup>:

- 3.32 g/t Au over 47.4 m, including 12.5 g/t Au over 5.8 m in LBP214C.
- 3.62 g/t Au over 8.1 m and 1.27 g/t Au over 54.2 m, including 2.51 g/t Au over 17.0 m in LBP222C.
- 1.12 g/t Au over 13.4 m and 3.16 g/t Au over 32.0 m in LBP207C.
- 1.44 g/t Au over 16.5 m and 1.36 g/t Au over 15.2 m and 1.23 g/t Au over 7.6 m in LBP197C.

*Drill composites were calculated using a cut-off of 0.20 g/t. Drill intersections are reported as drilled thicknesses. True widths of the mineralized intervals vary between 30 and 100% of the reported lengths due to varying drill hole orientations but are typically in the range of 60 to 80% of true width. 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 Atomic Absorption Spectroscopy. 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.*

## **GOLDSTRIKE PROJECT**

On July 16, 2018, Liberty Gold Corp. released the “*Preliminary Economic Assessment and Independent Technical Report for the Goldstrike Project, Washington County, Utah USA*”, effective February 8, 2018 and signed July 16, 2018 authored by Independent Qualified Persons Bob McCarthy, P.Eng.; Valerie Sawyer, SME; David Rowe, CPG; and Neil Winkelmann, FAusIMM of SRK Consulting (Canada) Inc. (“**SRK**”); Gary Simmons, MMSA of GL Simmons Consulting, LLC; James N. Gray, P.Geo. of Advantage Geoservices Ltd; George Lightwood, SME, Russell Browne, P.E. and Michael Bidart, P.E. of Golder Associates Inc.; and Carl Defilippi, RM SME of Kappes Cassidy & Associates, and prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects” (the “**Goldstrike PEA**”). The Goldstrike PEA was filed with Canadian securities regulatory authorities on SEDAR (available at [www.sedar.com](http://www.sedar.com)).

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<sup>7</sup> See the Corporation’s press releases dated January 12, 2021

The information contained in this summary has been derived from the Goldstrike PEA and is subject to certain assumptions, qualifications and procedures described in the Goldstrike PEA, and is qualified in its entirety by the full text of the Goldstrike PEA. Reference should be made to the full text of the Goldstrike PEA.

## **Project Description, Location and Access**

### *Location and Means of Access*

The Goldstrike Project is located in the Bull Valley Mountains in southwestern Utah, approximately 50 km northwest of St. George, Utah and 13 km east of the Nevada state line. St. George is located on Interstate Highway 15, which connects Las Vegas to Salt Lake City. Access is via paved highway and all-weather gravel road. Mine haul roads provide excellent access to all the mined pits, with unimproved gravel roads providing access to most other areas of the property.

### *Nature and Extent of Liberty Gold's Interest in Goldstrike*

The Goldstrike Property is made up of a central block of patented claims that are surrounded by a contiguous block of unpatented claims and land leased from the State of Utah, all within Washington County, Utah. The combined mineral property at Goldstrike controlled by Liberty Gold totals 18,855<sup>8</sup> acres (“ac”) (7,630 hectares (“ha”)) as of February 1, 2018. As of the date of this AIF, the area is 17,776 ac (7,194 ha).

Cadillac acquired leases on a large number of patented mining claims, totaling 41 claims (634.76 ac), as four separate parcels in 2011. The claims cover approximately 40% of the historically mined area, including the Goldtown and Covington open pits and portions of the Basin and Hamburg pits. An additional parcel of private land, consisting of two patents, was leased from the Claude Bracken Family Living Trust (“**Bracken Trust**”) in 2018. Two parcels of land are leased from the State of Utah under the School and Institutional Trust Lands Administration and are subject to a yearly lease fee. A total of 99 unpatented claims are leased from Oro Vista LLC and eight are leased from Ray Hunter LLC. These leases on the 8 Ray Hunter LLC claims were terminated in July 2020. The remaining 749 unpatented claims are 100% owned by Pilot Goldstrike Inc. Ownership of unpatented mining claims is in the name of the holder, or locator, subject to the paramount title of the United States of America, under the administration of the BLM. Under the Mining Law of 1872, which governs the location of unpatented mining claims on Federal lands, the locator has the right to explore, develop, and mine minerals on unpatented mining claims without payments of production royalties to the U.S. government, subject to the surface management regulation of the BLM. In recent years, there have been efforts in the U.S. Congress to change the 1872 Mining Law to include, among other items, a provision of production royalties to the U.S. government. Holding costs for the property are \$280,322 per year, including BLM and county filing fees for the unpatented claims, lease payments and taxes for the patented claims, and lease payments for the Utah State lands. Unless annual claim maintenance fees have been paid in full in advance, all claims have an annual expiration date of September 1.<sup>9</sup>

### *Underlying Agreements and Encumbrances*

Mineral production from the Goldstrike Project would be subject to the Utah Mining Severance tax of 2.60%, subject to certain exemptions. The Goldstrike Project may be eligible for a State of Utah High Cost Infrastructure Tax Credit, under which up to 30% of state revenues per year can be written off for up to 20 years, or until 50% of certain infrastructure investments are recovered. The 41 original patented claims are subject to a 2.5% Net Smelter Return (“NSR”) royalty, payable to the individual claim owners. The Bracken Trust patents are subject to a 1% NSR. Land leased from the State of Utah is subject to a 4.0% gross value production royalty.

Unpatented claims leased from Oro Vista LLC and Ray Hunter LLC are subject to a 3.0% NSR royalty. The Oro Vista leases have been paid through July 10, 2021 and the Ray Hunter leases were terminated in July 2020. Under the terms of the Oro Vista and Ray Hunter leases, Liberty Gold has the option to purchase 1/3rd of both royalties (1%) for

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<sup>8</sup> As of September 1, 2018, the combined mineral property at Goldstrike controlled by Liberty Gold decreased to 17,941 acres (7,261 ha).

<sup>9</sup> All maintenance fees for the unpatented mining claims were paid before September 1, 2018. As a result, all claims now have an expiration date of September 1, 2019 unless annual claim maintenance fees are paid on or before September 1, 2019.

\$500,000 each, until July 10, 2020. The 116 GAP unpatented claims owned by Liberty Gold are subject to a 2.0% NSR royalty payable to Vista Gold U.S. Inc.

Other than that which is discussed above, Liberty Gold has not identified any other significant factors or risks that may affect access to title or the right or the ability to perform work on the property.

## **History**

### ***Historical Exploration***

Prospecting in the Goldstrike mining district commenced as early as the 1870's, with minor exploration activity and gold production between 1895 and 1920. Approximately 40 lode claims, and one placer claim were brought to patent during this period. Coarse gold was recovered, and a three-stamp mill operated briefly, but the total recorded production from 1912 through 1942 is only about 813 ounces ("oz"). Exploration in the district was largely dormant until the 1960's.

Modern exploration began in the late 1960's with the Padre Mining Company, which staked 53 claims on the east side of Liberty Gold's patented claim block. Exploration for "Carlin-style" sediment-hosted gold deposits began in earnest in the early 1970's.

Historical exploration and mining within the property culminated with the development of the Goldstrike mine by Tenneco Oil Company ("Tenneco"), which from 1988 to 1996 produced oxidized disseminated-gold ore by heap-leach recovery from 11 open pits. In 1992, the Goldstrike mine was sold to United States Mineral Company ("USMX"). USMX mined out the remaining ore and reclaimed the property. A total of approximately 210,000 oz of gold and 198,000 oz of silver were recovered from approximately 6.9 million tons of ore.

## **Geological Setting, Mineralization and Deposit Types**

### ***Regional, Local, and Property Geology***

The Goldstrike Property occurs at the eastern edge of the Basin and Range Province, transitional to the Colorado Plateau. Paleozoic era Devonian, Mississippian, Pennsylvanian, and Permian marine clastic and carbonate sedimentary sequences are unconformably overlain by Mesozoic era Jurassic and Cretaceous sandstones and conglomerates, and Cenozoic era sedimentary and volcanic rocks. Rocks as young as Jurassic were strongly deformed during the Late Cretaceous Sevier orogeny, being folded and thrust imbricated. This was followed by the Laramide-age contractional deformation, that is likely a relatively minor event. Late Cretaceous to Paleocene basins developed with voluminous deposits of coarse clastic strata, and these were overlain by sandstone and conglomerate deposits of Paleocene to Oligocene age, including the Claron Formation.

The Goldstrike area is underlain by eroded Paleozoic rocks comprised of Devonian through Permian interbedded carbonates and sandstones, and Mesozoic rocks comprised of Jurassic and Cretaceous sandstones and conglomerates. As with most areas in the Basin and Range with economic quantities of disseminated gold, the Paleozoic and Jurassic strata are strongly deformed, being complexly folded and faulted during Mesozoic contractional and Cenozoic extensional events.

The Paleozoic and Mesozoic rocks are unconformably overlain by Cenozoic rocks comprised of Paleocene to Oligocene limestone, sandstone and conglomerate, and Oligocene-Miocene ash-flow tuffs (**Figure 1**). Strongly altered mafic dikes of basalt or andesite composition locally intrude the sedimentary section.



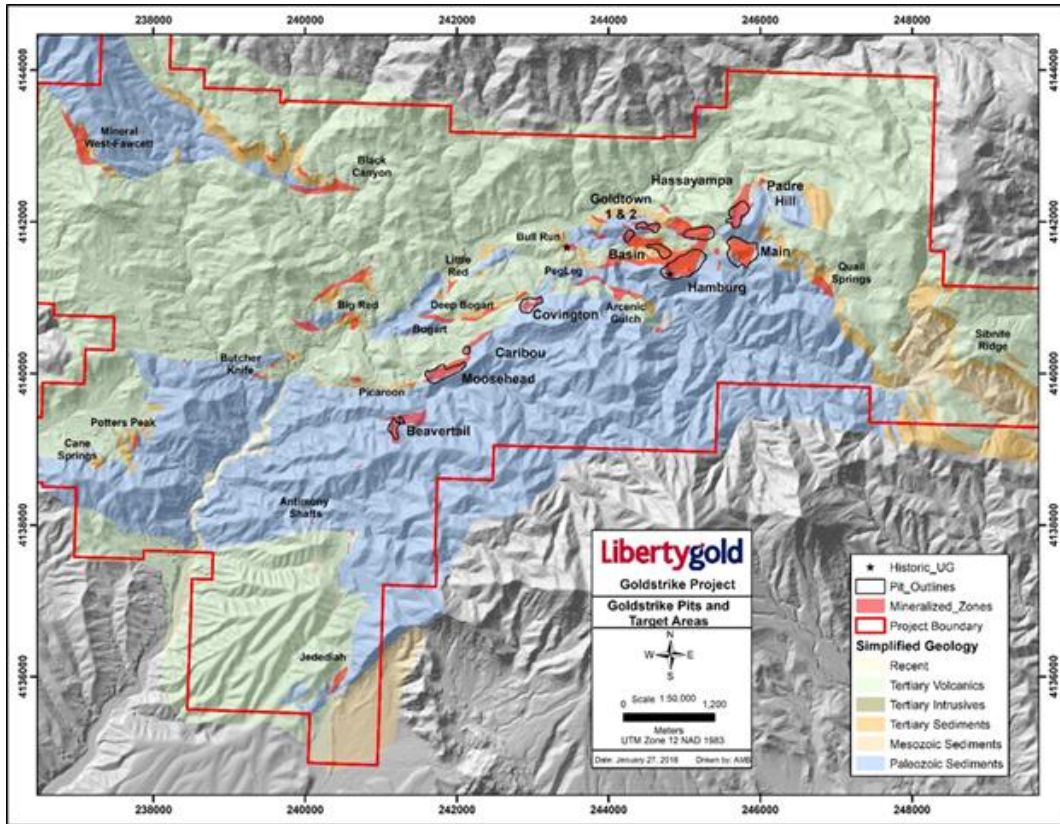


Figure 1 - Historical exploration and drilling areas, Goldstrike Project

### Structural Geology

Paleozoic and Mesozoic strata at the Goldstrike property are strongly folded and thrust imbricated. The deepest structural level is represented by outcrops of the Triassic-Jurassic Navajo Sandstone, which is present in a structural window in the southeastern part of the property. The overlying Square Top Mountain allochthon, encompassing much of the project area, is interpreted to be a significant regional feature. The hanging wall of the Square Top Mountain thrust fault includes the Mississippian Scotty Wash Quartzite and Chainman Shale, which are common units to the northwest, in eastern Nevada, but do not occur as autochthonous units in southern Utah. Other units in the hanging wall of the Square Top Mountain thrust include the Redwall Limestone, Callville Limestone, Pakoon Dolomite and Queantowep Sandstone. This strongly deformed sequence is in turn overlain by a repeated sequence of the same strata along the Goldstrike thrust fault, the surface expression of which trends roughly northeast across the property. These thrust faults are probably of Late Cretaceous-Paleocene (Sevier) age and appear to verge to the southeast, with asymmetric, locally overturned folds in the hanging walls. Significant offset is inferred by the presence of Paleozoic strata emplaced over Mesozoic Colorado Plateau strata. Fault propagation folding along this thrust fault probably caused the near-vertical bedding in the Pennsylvanian Callville Limestone exposed in the Moosehead pit. In general, Paleozoic strata in the historic Mine Trend form an anticlinal structure, the axis of which trends northeast in the western part of the property, bending around to assume a southeast trend in the eastern part of the property. A weak axial-planar (?) cleavage is locally developed in shaly to silty units.

Significant vertical relief existed in the district during late Cretaceous time, as evidenced by the Grapevine Wash Conglomerate, which extends southeastward from the Squaretop Mountain allochthon. Very coarse, poorly sorted conglomerate represents colluvial and alluvial fan deposits shed off the allochthon into an adjacent basin to the south.

A significant period of erosion must have taken place post-Sevier thrusting, as rocks younger than Permian are lacking in this area (except for the footwall of the Square Top thrust), and the relatively undeformed Eocene basal Claron Formation overlies the middle to late Paleozoic section and Grapevine Wash Conglomerate on a significant unconformity. Rapid changes in thickness of the basal coarse clastic unit in the Claron Formation suggests some local



relief on the erosional surface. There is some debate over whether the Claron Formation in the Goldstrike area represents local deposition in faulted basins or is more regional in extent. Significant rounding of clasts and diverse clast provenance suggests the latter. Overlying Oligocene to Miocene tuffs are largely conformable, which is suggestive of relative tectonic quiescence during this period.

A major local faulting event most likely occurred in the Miocene following deposition of the volcanic sequence. This event formed faults that trend east-northeast, west-northwest and north-northeast, and created the dominant structural fabric on the property. Faults formed during this event display normal and/or strike-slip displacements of varying magnitude. Faulting resulted in formation of several horsts, grabens and tilt blocks. Grabens include the east-trending Goldstrike graben and the northwest-trending Peg Leg graben. A prominent set of secondary, west-northwest-striking faults is present throughout the Main Zone. Locally, they strongly control mineralization, for example in the Basin Pit. Another set of high angle faults strikes north-northeast, most notably bounding the Main Pit and along the axis of the Padre Pit. These faults are also mineralized and may represent reactivated faults in the Paleozoic rocks that controlled paleotopography to some extent.

#### *Location of Mineralization*

Gold exploited in the late 19th and early 20th century was reportedly mined from structurally controlled jasperoid bodies in the area of the Hassayampa and Hamburg pits. In addition, coarse gold was reportedly mined from coarsely crystalline calcite veins at the Hamburg Mine (now part of the Hamburg pit) and Bonanza (Covington pit) mines. The veins at the Hamburg Mine were localized along the margin of a strongly altered andesite or basalt dike.

Of greater significance, disseminated “micron” gold is commonly found in the basal portion of the Claron Formation and Paleozoic strata immediately under it, in association with silicification (jasperoid) and clay alteration, and in particular where the Claron contact is cut by roughly east-west, west-northwest, and north-northeast striking, high-angle faults. This setting is where the Goldtown, Hassayampa, Hamburg, Padre and Main Zone pits are located. The high-angle faults are primarily mineralized only where they intersect favourable rock types, including conglomerate, sandstone and calcareous siltstone of the basal Claron above the unconformity. Multiple Fault intersections may play a role in localizing mineralization. Most of the graben-bounding faults are mineralized to some degree, with the exception of the listric Hassayampa fault bounding the north side of the Goldstrike Graben, a younger feature which offsets mineralization in a north side up configuration. Most mineralized faults also show some evidence of post mineral offset. The main graben-bounding faults bend into a more southwesterly orientation to the west, with a line of pits along this trend, including the Covington, Caribou and Moosehead pits. Mineralization in these areas, as well as the Beavertail Pit, is primarily hosted in the Callville limestone, and to a lesser extent in the Scotty Wash Quartzite, Chainman Shale and Redwall Limestone.

Faults associated with gold mineralization typically have large zones of calcite veining or calcite vein breccias developed along them. These calcite zones can be up to 15.2 m wide in places. It is assumed that these calcite veins are late with respect to Carlin-style mineralization, and barren, although early reports of gold production state that coarse gold was associated with the calcite veins. These same fault zones are in places intruded by thin basaltic dikes and sills that locally host coarse gold along their margins and internal steep shears.

Extensive mineralization is also found in favourable Paleozoic carbonate, sandstone and shale units, particularly where they are in proximity to the basal Claron Formation unconformity or large faults. In general, the Paleozoic rock units at the unconformity young east to west in the Main Zone Covington Pit area, with the Redwall Limestone in contact with the Claron Formation in the eastern Main and Hamburg pit areas and the Queantowep Sandstone in contact with the Claron Formation north of the Covington Pit. The Callville Limestone is in contact with the Claron Formation in the Moosehead pit area and probably at Beavertail. In general, the upper portion of the Callville Limestone is the most favourable unit to host mineralization, while the Redwall, Scotty Wash, Chainman and the middle sandy member of the Pakoon Dolomite also host mineralization. The Queantowep Sandstone and the upper and lower dolostone members of the Pakoon Dolomite tend to be barren of mineralization. As well, the basal Claron Formation adjacent to these units tends to be less well endowed with gold mineralization than when it is adjacent to more favourable Paleozoic units. This generalization can be extended to locations in the southeast part of the property where the Claron Formation is in contact with the Grapevine Wash Conglomerate. It is possible that the relative lack of calcite associated with these formations may be a factor in the lack of gold mineralization, or lack of a permeability/porosity contrast.

“Atypical” (for a Carlin system) mineralization has been noted primarily in the Paleozoic Rocks, in the form of relatively coarse free gold that is visible with a hand lens and can be panned from drill cuttings or outcrop. Gold is present either in association with medium to pale grey jasperoid or with greenish chlorite altered shale. The total extent of this style of mineralization is unknown at this time. Coarse free gold has been recovered in the historic Hassayampa, Peace, Hamburg and Bull Run mines as well as along the entire length of the East Fork of the Beaverdam Wash as placer gold.

Disseminated gold mineralization has been documented on a property-wide scale by surface sampling or drilling virtually everywhere that rocks proximal to the Claron Formation unconformity (basal Claron Formation or immediately underlying Paleozoic strata) are exposed, over an approximately 30 km<sup>2</sup> area.

The style of disseminated mineralization at Goldstrike is similar to other sediment-hosted gold deposits in the Great Basin, where elemental gold is located within the lattice of arsenical rims on pyrite grains. Mineralization drilled and mined to date is oxidized, and thus the original presence of arsenical pyrite is inferred from the presence of scorodite with iron oxides and by the elevated arsenic content of mineralized rocks. Few other minerals have been noted in association with gold. These include very local occurrences of orpiment, realgar, stibnite and stibiconite.

A number of exploration targets between and around the pits remain, primarily marked by linear zones of elevated gold in soil or rocks, and in shallow drill holes with gold mineralization.

#### *Deposit Type*

Goldstrike mineralization is best described to be in the class of sedimentary rock-hosted Carlin-style deposits. The Carlin-style class of gold deposits are not unique to the eastern Great Basin. They are characterized by concentrations of very finely disseminated gold in silty, carbonaceous, and calcareous rocks. The gold is present as micron-size to sub-micron-size disseminated grains, often internal to iron-sulphide minerals (arsenical pyrite is most common) or with carbonaceous material in the host rock. Free particulate gold, and particularly visible free gold, is not a common characteristic of these deposits; significant placer alluvial concentrations of gold are therefore not commonly associated with eroded Carlin-style gold deposits.

All Carlin-style deposits in the Great Basin have some general characteristics in common, although there is a wide spectrum of variants. Anomalous concentrations of arsenic, antimony, and mercury are typically associated with the gold mineralization; thallium, tungsten, and molybdenum may also be present in trace amounts. Alteration of the gold-bearing host rocks of Carlin-type deposits is typically manifested by decalcification, often with the addition of silica, fine-grained disseminated sulphide minerals, remobilization and/or the addition of carbon, and late-stage barite and/or calcite veining. Small amounts of white clays (illite) can also be present. Decalcification of the host produces volume loss, with incipient collapse brecciation that enhances the pathways of the mineralizing fluids. Due to the lack of free particulate gold, Carlin-style deposits generally do not have a coarse-gold assay problem common in many other types of gold deposits.

Deposit configurations and shapes are quite variable. Carlin-type deposits are typically at least somewhat stratiform in nature, with mineralization localized within specific favourable stratigraphic units. Fault and solution breccias can also be primary hosts to mineralization.

#### **Exploration**

This section details activities by Liberty Gold since acquisition of the Goldstrike Property.

Liberty Gold inherited a partial historical digital drill hole database compiled by North Mining and Cadillac, including unverified spreadsheets, AutoCAD files with drill hole collar information, down-hole assay data primarily from original laboratory certificates for most drill holes, some surface geochemical data, and blast-hole data for two historical pits as x, y, z coordinates attributed with gold values. Virtually all other historical data came in the form of paper maps, sections, logs, memos, and information from the mining operation. Most of these data have been digitized, verified, and assembled into a comprehensive digital database under the supervision of Senior Geologist Mr. Shabestari.

As of the effective date of the Goldstrike PEA:

- The drill hole database has a total of 1,501 historical holes. Down-hole lithological information has been captured from paper drill logs and all drill hole coordinates have been validated by Liberty Gold through examination of the collar locations against digital topography and photography, as well as some field checking. Laboratory certificates and drill hole logs were used to validate a large proportion of the historical drill hole assays.
- Original and/or final pit topography has been compiled and digitized from hard copy maps and digital data from aerial surveys by Olympus Aerial Surveys of Salt Lake City.
- Surface geochemistry has been compiled from AutoCAD files and hardcopy maps. As of the effective date of the Goldstrike PEA, a total of 7,912 samples are attributed with locations and gold assays.
- Surface geological mapping in the form of an Adair (1988) map digitized into AutoCAD has been properly registered and spot checked and corrected in the field. Pit maps have been digitized and amalgamated with this map, and other areas were mapped using data from USGS maps.
- Blast-hole data available to Liberty Gold includes a database of approximately 112,000 blast holes from all the open-pit mines except for Hassayampa. Blast-hole data from historical bench maps was digitized.

### **Geologic Mapping**

Several generations of surface mapping have been carried out over the last three decades, ranging from regional USGS mapping to mining pit maps. The primary references for regional scale mapping are Hintze et al. (1994) for the southern half of the property and Rowley et al. (2007) for the northern half. There are a large number of detailed geological maps for the various deposits and target areas in unpublished files from previous operators. The most comprehensive map of the area from Arsenic Nose to Padre pit is a set of four maps by Inspiration. Tenneco also produced numerous detailed maps. These maps and other data are gradually being evaluated by Liberty Gold, and, where relevant, compiled into a single digital geologic map of the property.

### **Liberty Gold Soil Sampling**

Liberty Gold contracted Rangefront Consulting of Elko, Nevada on three occasions, once in 2014 and twice in 2016, to carry out a grid-based soil sampling program to expand the footprint of previous soil sampling programs on the property. C-horizon mineral soils were generally collected, as organic soil development on the property is poor.

Historic soil sampling was carried out throughout the Main Zone Trend, extending southward to the Jedediah area, the Potter's Peak area and the Black Canyon to Mineral Mountain area. Gold in soils can be directly correlated to areas of outcropping mineralization.

Soil sampling by Liberty Gold was extended to areas north, east, and southeast of the Main, Padre, Hassayampa, Goldtown, Hamburg, and Basin pits, where outcropping mineralization gave rise to significant gold in soil anomalies in historical soil sampling. Only very minor gold anomalies were detected in this sampling. However, a strong antimony anomaly was detected to the southeast of the pits. Follow-up work discovered a 200-m long jasperoid breccia with abundant stibiconite pseudomorphs after stibnite that yielded anomalous gold in rock samples.

Liberty Gold also extended soil sampling westward along the northern edge of the "western grabens" area to the west of the historic mine trend. Gold in soil anomalies were detected in areas underlain by jasperoidized Paleozoic carbonate strata, with > 4 g/t Au detected in one sample.

A separate soil grid over the eastern portion of the property defined a strong, linear, east-west-trending zone with elevated arsenic and antimony in the vicinity of the Quail Springs target.

### **Rock Sampling**

To characterize the alteration and mineralization of the property beyond what had been previously done, Liberty Gold collected 975 rock samples throughout the property, primarily as grab samples, from 2014 to 2017. Sample locations and descriptions, including lithologic type and alteration, were logged into a handheld GPS unit with ArcPad. Sample

values ranged from below detection to a high of 26.3 g/t Au. Correlation matrices for all the rock samples show a strong Au-Ag-Sb-Te affinity and a lesser Au-Hg-Tl-Zn-Ni-As-Mo-Cu correlation. The sampling indicates that gold is most closely associated with multi-phase jasperoid breccias with strong jarosite-limonite-hematite gouge. Late drusy quartz, euhedral jarosite and occasionally barite are common in the higher-grade samples. Jasperoid breccias are typically found within and adjacent to the major fault zones as well as along receptive bedding contacts and the regional unconformity between the Paleozoic rocks and the basal Claron Formation.

### **Three-Dimensional Modeling**

Liberty Gold has compiled a three-dimensional (“3D”) geological model for the Goldstrike Property in Leapfrog software to aid in drill targeting and resource estimation. As of the effective date of the Goldstrike PEA, 3D modeled geology extends to the Main, Dipslope/Padre, Peg Leg, Aggie/Warrior, Covington, Moosehead, Beavertail and Mineral Mountain areas, all relatively intensely drilled. The model is regularly updated with new drill data and is currently being extended to other areas of the property.

### **Induced Polarity Geophysics**

A Volterra two dimensional Induced Polarization survey was carried out from 06 to 21 July 2017, consisting of five widely-spaced lines over the historic mine trend, for a total of 11,075 linear meters. The purpose of the survey was to evaluate the usefulness of Induced Polarization to identify jasperoid bodies (resistors) and/or disseminated sulphide (chargeability highs) that might be related to gold mineralization. One line was designed to cross several well-drilled areas, in order to observe whether specific features could be seen in the survey.

The survey was carried out by SJ Geophysics Ltd of Vancouver, B.C. (Enns, 2017). A proprietary data collector system (Volterra Distributed Acquisition System) was used. The survey utilized an interlaced array, with dipole lengths ranging from 50 to 100 m. Data quality was assessed in the field. Surface contact resistances were relatively low, in part due to the arid and sandy surface conditions. Data were subject to the UBC-GIF inversion algorithm, with the resulting inversion models compared to known 3D geological information.

Overall the Induced Polarization survey was very effective at mapping the known structural and lithologic changes. Zones of strong sulfide alteration, such as in the Covington intrusive were mapped well by the chargeability.

### ***Drill Hole Database***

The Goldstrike Project drill hole database comprises a grand total of 1,978 holes for 170,989 m drilled by 13 companies on the property, including Liberty Gold, from 1978 through 2017. Most of the holes drilled are vertical reverse-circulation/rotary holes (1,950 holes for 167,527 m), with limited core drilling (28 core holes for 3,461 m).

Liberty Gold inherited substantial historical data from the previous operators, including a partial historical digital drill hole database. Original laboratory certificates are available for most of the drill holes samples, as are some surface geochemical and blast-hole data for all the historical mine pits. Paper maps, cross sections, drill logs, reports, and other miscellaneous information derived from the historical mining operation are also part of the historical data package. These data have been digitized, verified, and assembled by Liberty Gold into a comprehensive digital database.

Work continues to compile geologic mapping and surface sampling by historical operators into a complete digital geologic map of the property. Liberty Gold has supplemented the approximately 7,912 historical soil samples and 507 historic rock samples with an additional 1,987 soil samples, and 975 rock samples collected throughout the property. Rock sample values range from below detection to a high of 26.3 grams per tonne of gold (“g/t Au”). Correlation matrices for all the rock samples show a strong Au-Ag-Sb-Te affinity and a lesser Au-Hg-Tl-Zn-Ni-As-Mo-Cu correlation. The sampling indicates that gold is most closely associated with multi-phase jasperoid breccias with strong jarosite-limonite-hematite gouge.

## Drilling

The historical drill hole database includes 1,501 holes drilled by 12 previous operators during 1978 to 2012, totaling 96,264 m: 1,484 reverse-circulation/rotary holes for 94,359 m and 17 core holes for 1,905 m. Drill hole collar information has had several iterations of validation. The historical database contains 59,869 assay intervals, which average 1.57 m, with 97% of the sample intervals having a length of 1.524 m (5 ft.).

There is limited information available for drilling and sampling methods and procedures employed by historical operators. There are no down-hole survey data in the Goldstrike Project database for the historical holes. Almost 80% of the historical holes in the compiled database were drilled vertically, and only 44 of the 1,501 historical holes were drilled to depths exceeding 125 m.

Liberty Gold conducted three drilling programs at Goldstrike from November 2015 to December 2015; March 2016 through December 2016; and February through December 2017. Liberty Gold's 2015 to 2017 Goldstrike Project drill hole database currently contains a total of 477 RC holes and core holes for 74,725 m drilled by Liberty Gold (Table 1).

**Table 1: Summary of 2015 to 2017 Liberty Gold drilling**

Company	Year	RC/Rotary Holes		Core Holes		Total	
		No.	Meters	No.	Meters	No.	Meters
Liberty Gold	2015	18	2,877	-	-	18	2,877
Liberty Gold	2016	163	24,482	11	1,556	174	26,038
Liberty Gold	2017	285	45,810	-	-	285	45,810
Liberty Gold Totals		466	73,169	11	1,556	477	74,725

In late 2015, Liberty Gold drilled in the Main, Aggie, and Moosehead areas. In 2016, further holes were drilled in the Main, Aggie, Peg Leg, Dip Slope, Western Grabens and Covington area. In 2017, holes were drilled in the Main, Aggie, Peg Leg, Dip Slope, Western Grabens, Padre, Moosehead, Caribou, Beavertail, Covington pit, Mineral Mountain, Jack's Camp and Jedediah areas.

The drilling contractor for the 2015 drilling program was Major Drilling of Salt Lake City, Utah. A truck-mounted Schramm 450 type drill rig was utilized with a rotating wet "cyclone" type splitter sample return and 4.5 to 6 in diameter bits. All drilling was done with water injection.

The drilling contractor for the 448 RC holes drilled in 2016 and 2017 was Boart Longyear of Elko, Nevada. Track-mounted Foremost MPD 1500 type drill rigs were utilized, with a rotating wet "cyclone" type splitter for sample return and 4.5 to 6 in diameter standard or center-return bits. All drilling was done with water injection.

Down-hole surveys for the RC holes in all years were carried out by logging contractor International Directional Services ("IDS") of Elko, Nevada. IDS utilized a truck-mounted, through-the-drill steel Reflex Gyro gyroscopic survey instrument. Readings were taken at the bottom, top, and at 15 m intervals throughout the completed drill hole. There generally can be more deviation in RC holes, however significant drill hole deviations have not been encountered in the RC drilling at Goldstrike. While an attempt was made to get a downhole survey on every hole, there are 25 Liberty holes without surveys due to logistical considerations.

The drilling contractor for the core holes drilled in 2016 was Major Drilling of Salt Lake City, Utah, using a track-mounted LF-90 drill rig and PQ tools. Down-hole surveys for core holes were completed with a Reflex E-Z Shot electronic solid-state single-shot down-hole camera supplied by Major Drilling. Readings were taken at the collar and at approximately 30 m intervals down hole. Significant hole deviations were not encountered. The Major E-Z Shot tool was cross checked using the IDS instrument and no major discrepancy was noted.

Collar locations were initially located in the field by Liberty Gold personnel using a Trimble GeoXH type hand-held GPS unit receiver with differential correction accuracy of 0.5 m in the X and Y directions and 1 m in the Z direction.

Subsequent to drilling, drill holes were abandoned according to Nevada state regulations. After completion of the holes, the collars were marked with stamped brass tags on a steel wire and their locations were again surveyed by Liberty Gold personnel using a Trimble GeoXH type GPS unit. At the end of 2016 and 2017, most of the drill pads were surveyed by All Points North Surveying and Mapping of Elko, Nevada using a geodetic survey-grade Trimble 4000-series GPS receiver with a base station for real-time correction. Accuracy of the measurements is  $\pm 2$  cm in the X and Y directions and  $\pm 3$  cm in the Z direction. The surveys were specific to some, but not all the drill collars. Where multiple holes were drilled from one pad, normally only the most recent collars were recovered, while previous collar locations were destroyed by subsequent drilling activity. For unrecoverable drill collars, the X and Y coordinates from the previous Liberty Gold survey were used, with the Z coordinate from the All Points North survey.

The primary purpose of the 2015 program was to validate drilling carried out by previous operators, and to test the hypothesis that mineralization extends down-dip of the historic pits along the Claron Formation basal contact. Holes were drilled over approximately 4 km along the historic mine trend. The drilling provided proof of concept that mineralization extends down dip and lateral to the historic pits.

The drill program in 2016 focused primarily on resource definition in the Main Zone, defined as mineralization contained within the Goldstrike Graben. Late in the year, other targets, including the dip slope north of the Hassayampa fault, the Covington Pit area and the Peg Leg graben south of the Main Zone, were tested.

In 2017, in addition to continued drilling in the areas listed above, drilling was significantly expanded to include the Padre Pit area, and areas in the western portion of the Historic Mine Trend, including the Moosehead and Caribou pits and several unnamed areas to the north. The Mineral Mountain area was also drilled. Late in the season, several outlying target areas were tested.

## **Sampling, Analysis and Data Verification**

### ***Sampling***

#### *Historical Surface Sampling*

SRK is unaware of the sample preparation and analytical methods used for the historical surface samples, most of which are attributed to Tenneco. It is important to note, however, that the historical sample data were used to develop a successful commercial mining operation that produced more than 200,000 ounces of gold.

#### ***Liberty Gold Samples***

##### *Liberty Gold Soil Samples*

Rangefront Geological Consulting (“**Rangefront**”) collected soil samples using hand-held GPS units with pre-programmed sample locations. Samples generally ranged in weight from 0.3 to 0.8 kg. Samples were transported by Rangefront directly to ALS Minerals’ (“**ALS**”) sample preparation facility in Elko Nevada, where they were transported to Winnemucca for preparation. Samples were screened to  $-180 \mu\text{m}$ . The less than  $180 \mu\text{m}$  fractions were analyzed for gold by 30 g fire assay with AA finish (ALS method code Au-AA23) and 51 elements by inductively coupled plasma atomic emission and mass spectrometry (“**ICP-MS**”) following aqua regia digestion (ALS method code ME-MS41).

##### *Liberty Gold Rock Samples*

Rock samples were collected by Liberty Gold personnel and transported to the ALS sample preparation facility in Elko, Nevada. Sample weights were generally between 1 and 2 kg. Data recorded at the sample site include handheld GPS locations, type of sample (grab, chip), rock type and alteration. Samples were crushed to 70% passing 2 mm mesh, split and pulverized to 85% passing  $75 \mu\text{m}$  mesh. Gold was determined by 30 g fire assay with AA finish (ALS code Au-AA23). 51 elements were determined by ICP-MS following aqua regia digestion (ALS method code ME-MS41).

### *Liberty Gold Drilling Samples*

Liberty Gold geologists were on site during the Liberty Gold drilling program and they carried out geological logging of drill core and defined the core sample intervals. Drill core was collected at the drill sites by Liberty Gold personnel. The core was logged on site in or adjacent to a trailer designated for that purpose, using a purpose-built Excel template that records rock type, alteration, rock quality designation and other parameters.

All drill core was sampled except for some backfill and pad-fill material, as well as the upper portions of holes drilled from the same drill pad, where mineralization was not expected. Sampled intervals were identified based on geological considerations. Sample lengths vary from approximately 0.24 to 5.8 m, with an average length of 1.5 m. After logging, the core was transported to Liberty Gold's core processing and storage facility in Elko by Liberty Gold staff. Personnel from Rangefront photographed the core wet and dry, then cut the core lengthwise into halves using diamond saws and sampled the core, with one half sampled and sent to the assay laboratory. All samples were transported by ALS personnel from the Liberty Gold cutting facility to the ALS sample preparation laboratory in Elko, Nevada. After sample preparation, sample pulps were sent from the ALS Elko laboratory to the ALS laboratory in Reno, Nevada, for analysis of gold by fire assay, and to the ALS laboratory in North Vancouver, B.C., for multi-element geochemical analyses.

### *Liberty Gold RC Drilling*

Liberty Gold's RC samples were collected wet, with water injection, on 5 ft. (1.524 m) intervals, each sample generally weighing in the range of about 5 to 10 kg, directly into pre-labeled, water-permeable cloth sample bags. Excess water was drained from the samples at the drill sites. The drill samples were transported periodically to the ALS facility in Elko, Nevada, by Liberty Gold personnel, or by contractor Feller Enterprises of St. George, Utah, or by Legarza Exploration of Elko, Nevada. At times during the program, it was deemed necessary by ALS to transport samples from Elko to an alternate prep lab, either in Reno, Vancouver, Thunder Bay, Ontario, or Hermosillo, Mexico.

### *Data Verification*

Liberty Gold inherited a Project drill hole database and hardcopy documentation as part of its acquisition of the Goldstrike property. Liberty Gold has subsequently undertaken extensive efforts to digitize, validate, and improve the accuracy of the Goldstrike Project data.

### *Collar and Survey Tables*

The locations of many of the historical drill holes at Goldstrike are uncertain. Most of the drill holes in the mined pit areas were originally surveyed by traditional methods using a local grid referenced to a section corner with an uncertain location. Due to mining disturbance, these holes can no longer be found and re-surveyed. Other drill hole collars, particularly for holes drilled at various exploration targets that were not mined, are shown on sketch maps but do not match their locations in the database. It is also difficult to find and verify the locations of these holes due to disturbance and post-mining reclamation.

Liberty Gold contracted All Points North Surveying and Mapping of Elko, Nevada to locate and accurately survey the section corner that served as the origin for the local grid used to locate holes drilled prior to 2000. The local-grid coordinates of these holes were then converted to universal transverse mercator north american datum 83 coordinates, and the drill hole collars were overlain on a satellite image and shifted to nearby drill sites where appropriate. The elevations of some hole collars that were clearly in error were pressed onto an accurate terrain model. While this work corrected many problems, a number of hole locations were still suspect, and Liberty Gold has attempted to locate these in the field and survey them using a Trimble Geo Explorer XH GPS receiver with differential correction accuracy of 0.5 m in the X and Y directions and 1.0 m in the Z direction. Other location problems were corrected by researching historical documentation that showed the inherited database coordinates were inaccurate.

### *Assay Table*

ALS was chosen as Liberty Gold's primary laboratory based on a rigorous, 2008 audit by consultant Barry Smee of all Nevada assay laboratory facilities. The audit was performed for Fronteer Gold.

Liberty Gold compiled all available historical assay certificates and used them to comprehensively check the gold values in the Goldstrike Project database. This effort resulted in the auditing of assays from 853 holes drilled by Tenneco, 127 by Inspiration, and 133 by USMX. Over 70% of the historical sample intervals in the Goldstrike Project database were thereby checked by Liberty Gold and corrected where appropriate. Liberty Gold found an error rate in the database gold values of less than 1%, not including various discrepancies relating to the treatment of less-than-detection-limit results and un-assayed intervals.

### ***Quality Assurance/Quality Control ("QA/QC")***

#### *Liberty Gold Quality Assurance/Quality Control Program*

The QA/QC (as defined below) program instituted by Liberty Gold for the Goldstrike 2015 to 2017 drilling programs included the systematic analysis of standards, coarse blanks, and RC field duplicates. Preparation duplicates and analytical duplicates (or replicates) were also routinely analyzed by ALS as part of their in-house QA/QC program. The Liberty Gold QA/QC program was designed to ensure that at least one standard, blank, and field duplicate was inserted into the drill-sample stream for every 36 drill samples, which is the number of samples in each ALS analytical batch. Splits from ALS pulps in mineralized zones were sent to Inspectorate Laboratories in two batches after the 2016 and 2017 drill programs for check assaying.

### **Mineral Processing and Metallurgical Testing**

The Goldstrike Project was a past producer of gold and silver, via run-of-mine ("**ROM**") heap leaching and there is limited information pertaining to historical metallurgical testing. In 1993, Kappes, Cassiday and Associates ("**KCA**"), carried out a bulk sampling and large diameter column leach test program on two samples, one from the Moosehead Pit area and the second from the Beavertail Pit area. Data from this report was re-constructed into a format consistent with the 2016 to 2017 testwork and is included in some of the analysis.

In 2016, Liberty Gold approved a first stage of metallurgical testing for the Goldstrike Project. Phase 1 metallurgical testing was conducted by KCA in Reno, Nevada. Metallurgical database development and analysis is provided by GL Simmons Consulting, LLC, in Larkspur, Colorado.

The 2016 scope of work included:

1. Sample preparation;
2. Head assays and geochemical analysis;
3. Comminution characterization, comprising SMC Testing Ply Ltd. ("**SMC**") testwork and Bond Abrasion index testwork, sub-contracted to Hazen Research Inc. in Golden, Colorado;
4. 10 mesh and 200 mesh bottle roll tests;
5. Column leach testing at 80% passing 12.5 and 25.0 mm;
6. Tails screen analysis and assay by size fraction;
7. Load permeability testing; and
8. Environmental characterization.



Summary conclusions from the 2016 metallurgical test work program are:

- Head analyses results show that gold grades ranged from 0.35 to 3.18 g/t, silver grades ranged from 2.9 to 58.9 g/t and copper values were very low ranging from 5 ppm to 35 ppm.
- Gold cyanide solubility ranged from 38.1% to 102.5% and correlates well with sulfide sulfur assays, with higher sulfide sulfur (S=) content correlating to lower cyanide solubility (“AuCN”).
- Organic carbon assays were low and preg-robbing assays do not indicate any problems.
- Concentrations of the deleterious elements Se were <8 ppm and Hg ranged from 0.06 to 0.50 ppm.
- Arsenic (As) levels were low ranging from 86 to 5,221 ppm and the concentrations of the primary cyanide consumers (Cu, Ni and Zn) were low and suggested minimum potential to effect cyanide consumption rates.

Ten samples were selected for comminution testing and were subjected to modified SMC - SAG Mill Comminution testing and Abrasion Index (“Ai”) testing at Hazen Research. SMC Drop Weight index (“DWI”) ranged from 2.56 kWh/m<sup>3</sup> (GS-01) to 6.88 kWh/m<sup>3</sup> (GS-15), indicating soft to medium hard material. Abrasion index test results ranged from 0.1444 g to 0.7332 g and averaged 0.472 g, indicating moderate abrasiveness.

Laboratory scale heap leach cyanidation was conducted on 20 of the 24 variability composites. All 19 of the 20 composites were readily amenable to simulated heap leach cyanidation treatment, with one composite being sulfide refractory. Gold extraction rates were very rapid, with greater than 80% of total extractable gold being recovered within the first 10 days of leaching. No solution percolation problems were observed during column leaching.

Gold recovery models were developed using data from the 1993 and 2016 to 2017 column/bottle roll leach test programs. Oxide material (AuCN >70%) recovery equations, for a ROM heap leach (P<sub>80</sub> = 150 mm or 6 in), are represented by the following equations and are graphed below (**Figure 2**):

$$Au\ Rec\ (\%) = 0.8493 * (HG_{Au})^{0.1295} \text{ (for } HG_{Au} < 0.040 \text{ g/t)}$$

$$Au\ Rec\ (\%) = 0.8138 * (HG_{Au})^{0.0647} \text{ (for } HG_{Au} > 0.40 \text{ g/t)}$$

Where:  $HG_{Au}$  = Head grade for gold, in g/t

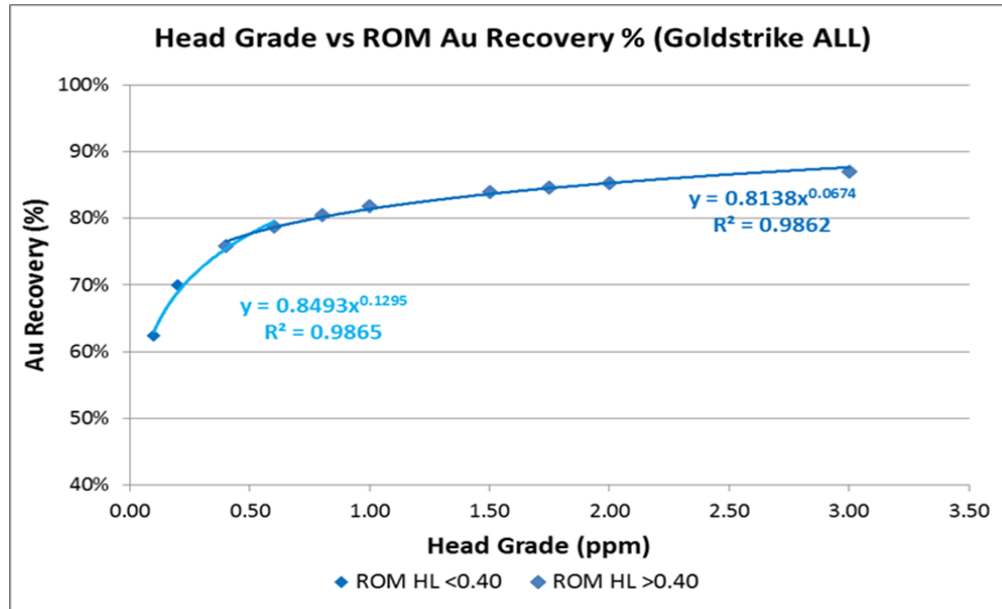


Figure 2 - Goldstrike Resource – gold recovery model graph

### Mineral Resource Estimates

Geologic controls for resource estimation are based on the geologic interpretation established 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 (“ID<sup>2</sup>”) interpolation into 10x10x10 m blocks. Sample selection during gold estimation is restricted by distance to the Control Surfaces and, in this way, reproduces the concentric or banded nature of the gold mineralization along fault zones and stratigraphic trends. Density has been applied at an average value of 2.52 tonnes per square metre (“t/m<sup>3</sup>”) based on 160 measurements carried out by Liberty Gold 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 ft.) 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 lead to the establishment of high-grade capping limits by control surface.

The Mineral Resource was classified based on available drill data as well as by proximity to the interpreted geologic controls. Inferred Mineral Resource is within 50 m of a sample or must be estimated by at least two holes. Indicated Mineral Resource 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. Intrusives and the isolated high-grade volumes were classified as Indicated where within 40 m of sample data and estimated by at least three holes.

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/t mining cost; \$4.30/t processing and general and administrative cost (assuming ROM, Heap Leach operation); 50° 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 preliminary metallurgical studies, recovery was variable depending on head grade: Au ≥ 0.4 g/t - rec% = 0.8133\*Au 0.0677; Au < 0.4 g/t - rec% = 0.8491\*Au 0.1301. The Whittle pit model was produced by Grant Carlson, P. Eng. of SRK, an Independent Qualified Person as defined by NI 43-101.

The Classified Mineral Resource estimate is quoted at a cut-off grade of 0.20 g/t Au and consists of:

- An indicated resource of 925,000 ounces of gold at an average grade of 0.50 g/t Au (57,846,000 t); and
- An inferred resource of 296,000 ounces of gold at an average grade of 0.47 g/t Au (19,603,000 t).

**Table 2: Mineral Resource Statement, Goldstrike Project, Utah, Advantage Geoservices, as at 8 February 2018.\***

Cut-off (Au g/t)	Indicated			Inferred		
	Tonnes (1,000s)	Grade Au (g/t)	Ounces Au (1,000s)	Tonnes (1,000s)	Grade Au (g/t)	Ounces Au (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
0.8	6,947	1.18	264	2,041	1.16	76
0.9	5,165	1.30	215	1,443	1.29	60
1.0	3,768	1.42	173	1,115	1.39	50

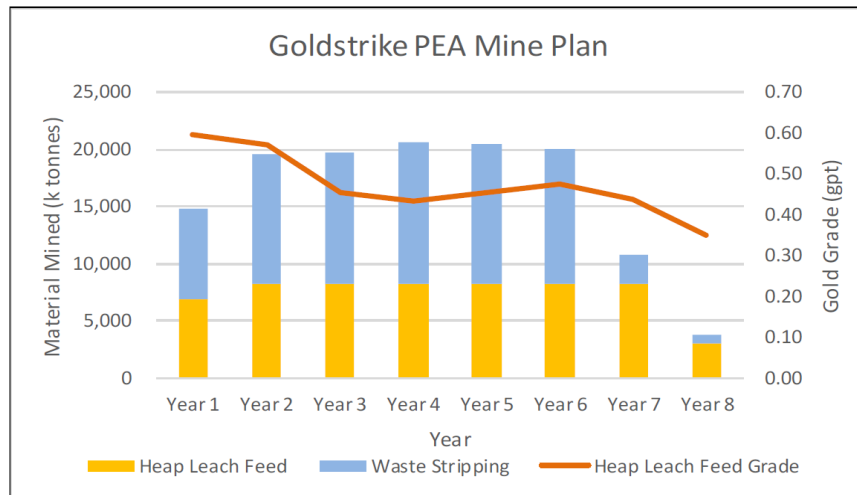
\*Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated Mineral Resource category.

Mr. Grey and Mr. Rowe are of the understanding that Liberty Gold is not aware of any factors that may potentially affect the resource estimate.

## Mining Operations

### Mining Methods

The Goldstrike Mine is to again adopt open pit mining methods using loaders and trucks to deliver 22,500 tonnes per day to a heap leach facility. The life-of-mine leach material mined is 59 Mt at a 1.2:1 strip ratio (Waste:Leach Material), giving a 7.5-year mine life (**Figure 3**).



**Figure 3 - Mine production summary**

### ***Recovery Methods***

The process selected for recovery of gold and silver from the Goldstrike mineralized material is a ROM heap-leach circuit. The material will be mined by standard open pit mining methods, and truck-stacked onto heap leach pads in 9-meter (30-foot) lifts. The heap leach facility (“**HLF**”) contains one single leach pad and a pond system that is constructed in three phases.

The ROM material will be leached with a dilute cyanide solution, and the leached gold will be recovered from solution using a carbon adsorption circuit. The gold will be stripped from carbon using a desorption process, followed by electrowinning to produce a precipitate sludge. The precipitate sludge will be refined in a furnace to produce doré bars.

### ***Heap Leach Facility***

The planned HLF includes one dedicated lined leach pad and a lined process and event pond system that is designed to be constructed in three phases. The HLF site was selected as the preferred site out of six sites reviewed. The selected site is designed to hold approximately 60 Mt of leachable resource using a stacked dry density of 1.6 t/m<sup>3</sup>. Under the design criteria and assumptions used, the heap leach pad is designed to be stable to the maximum stacked height of 100 m. Shaping and grading of the site will use mine waste rock placed as engineered fill to construct a toe fill at the base of the leach pad and for a flat pad where the process pond, event pond, and process plant will be constructed.

Prior to final phase construction (Phase 3), the northeast side of the Moosehead Pit will be backfilled, and the Phase 3 leach pad liner is designed to be constructed over the backfilled pit, to provide positive drainage of Phase 3 to the process ponds.

The leach pad and process and event ponds will be lined with geomembrane lining systems in accordance with current industry practices for ground water protection. The lined ponds will be sized to contain gravity solution flow during normal operating conditions in addition to severe emergency events including severe storm events and a power or pump outage that prevents recirculation to the desorption plant or back to the leach pad.

### ***Off-site Infrastructure***

The mine is located proximate to major infrastructure. The major components of off-site infrastructure that have been considered are:

- An upgrade and partial realignment of the existing access road from Old Highway 91 to the mine site
- The installation of a high-voltage transmission line and associated sub-station along the access road alignment from a substation in the St George area.
- The provision of water supply from a bore-field to the mine site via a 9-km pipeline and associated pumping facilities. The pipeline is assumed to primarily follow existing roads.

### **Infrastructure, Permitting and Compliance Activities**

Liberty Gold is authorized to conduct gold exploration in the Bull Valley project area under the *Bull Valley Plan of Operations* (UTU-091579) (the “**Plan**”) and the Utah Division of Oil, Gas & Mining *Notice of Intention to Conduct Exploration* (E/053/0069) (the “**Utah NOI**”) in February 2017 and received authorization from the BLM and Utah Division of Oil, Gas, and Mining in June 2017 to conduct exploration activities within the project area. The Plan and the Utah NOI were amended in November 2017 to add acreage associated with historic mine disturbance and reclaimed roads. The project area encompasses about 1,264 acres that includes 1,016 acres of BLM-administered land, 241 acres of private land, and seven acres of leased School and Institutional Land Trust Administration (“**SITLA**”)-administered land.

There are currently no known environmental conditions associated with the Goldstrike Mine project.

Environmental permitting for mines in Utah is predicated on land status. Because the Goldstrike Mine and infrastructure will be located on both public land administered by the Department of the Interior - BLM, state land controlled by SITLA, and private land controlled by Liberty Gold, the permitting path will involve multiple state and federal agencies as shown in Table 3.

**Table 3- Major permits for the Goldstrike Mine Project**

Permit/Approval	Issuing Authority	Permit Purpose	Status
<b>Federal Permits Approvals and Registrations</b>			
Plan of Operations / <i>National Environmental Policy Act</i> Analysis and Record of Decision	BLM	Prevent unnecessary or undue degradation of public lands, Initiate NEPA analysis to disclose and evaluate environmental impacts and project alternatives.	<b>REQUIRED</b> , Liberty Gold unpatented mineral claims are located on public land. Exploration and operations will require a PoO and NEPA analysis.
Rights-of-Way / NEPA Analysis	BLM	ROW grant authorizes rights and privileges for a specific use of the land for a specific period of time.	<b>REQUIRED</b> , linear infrastructure (e.g., pipelines, utilities, roads, etc.) crossing federal public lands require SF-299 and Plan of Development. Action analyzed under a NEPA document.
Explosives Permit	U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives	Storage and use of explosives	<b>REQUIRED</b> , explosives are required for development of the process area site.
EPA Hazardous Waste ID No.	U.S. Environmental Protection Agency	Registration as a small-quantity generator of wastes regulated as hazardous	<b>REQUIRED</b> , of all mining operations in Utah that generate hazardous waste.
Notification of Commencement of Operations	Mine Safety and Health Administration	Mine safety issues, training plan, mine registration	<b>REQUIRED</b> , of all mining operations in Utah.
Biological Opinion and Consultation	U.S. Fish and Wildlife Service	Only if project Threatened or Endangered Species is determined present during the NEPA analysis of the project.	<b>NOT REQUIRED</b> , there are no current federal T&E species in the project area.
Incidental Take Permit	U.S. Fish and Wildlife Service	Required when non-Federal activities will result in take of T&E species. A habitat conservation plan must be developed to ensure that the effects of the take are minimized and mitigated	<b>MAYBE</b> , if golden eagles are affected.
404 Permit (Waters of the U.S. Jurisdictional Determination)	U.S. Army Corps of Engineers	Implementation of Section 404 of the <i>Clean Water Act</i> and Sections 9 and 10 of the <i>Rivers and Harbors Act</i> of 1899	<b>MAYBE</b> , the mining activity is in a hydrographic basin that is connected to the Virgin River and ultimately to the Colorado River.
Federal Communications Commission Permit	Federal Communications Commission	Frequency registrations for radio/microwave communication facilities	<b>MAYBE</b> , if Liberty Gold intends to use business radios to transmit on their own frequency
<b>State Permits, Authorizations and Registrations</b>			
Mineral Lease and Easement	Utah SITLA	Mineral lease for mining on SITLA-administered lands. Presently Liberty Gold maintains two parcels that have the Utah State Mineral Lease number 52928.	<b>MAYBE</b> , an easement(s) may be needed for a road, power lines, and pipelines located on SITLA-administered land.

Permit/Approval	Issuing Authority	Permit Purpose	Status
Title V Air Quality Operating Permit	Utah Department of Environmental Quality (UDEQ)/Division of Air Quality	Regulates project air emissions from stationary sources	<b>REQUIRED</b> , for proposed processing operation.
Notice of Intention for a Large Mining Operations (NOI)	UDOGM	Reclamation of surface disturbance due to mining and mineral processing; includes financial assurance requirements	<b>REQUIRED</b> , of all mining operations in Utah.
Groundwater Discharge Permit	UDEQ/ Division of Water Quality	Prevent degradation of groundwater from mining, establishes minimum facility design and containment requirements	<b>REQUIRED</b> , of mining operations in Utah.
Permit to Operate a Solid Waste Landfill	UDEQ/Division of Waste Management & Radiation Control	Authorization to operate an on-site landfill	<b>MAYBE</b> , if Liberty Gold proposes to utilize on-site landfill
Hazardous Waste Management Permit	UDEQ/Division of Waste Management & Radiation Control	Management of hazardous wastes	<b>MAYBE</b> , for depending if over 2,200 pounds of hazardous waste are generated monthly.
Utah Pollutant Discharge Elimination System Permit	UDEQ/ Division of Water Quality	General permit for management of site discharges	<b>MAYBE</b> , required for discharges of treated groundwater.
Multi-Sector General Stormwater Discharge Permit	UDEQ/Division of Water Quality	Management of site stormwater discharges in compliance with federal <i>Clean Water Act</i>	<b>REQUIRED</b> , based on Standard Industrial Code.
Permit to Appropriate Water/Change Point of Diversion	Utah Division of Water Rights (UDWR)	Water rights appropriation	<b>REQUIRED</b> , Liberty Gold is in the process of applying for water rights.
Permit to Construct a Dam	UDWR	Regulate any impoundment impounding more than 20 acre-feet	<b>MAYBE</b> , depending if the ponds are constructed with an embankment.
Potable Water System Permit	UDEQ/Division of Drinking Water	Non-transient non-community water system for drinking water and other domestic uses (e.g., lavatories)	<b>MAYBE</b> , depending if Liberty Gold plans to construct and operate a potable water system.
Large Underground Wastewater Disposal System Permit	Utah Division of Water Quality Wastewater Program	Design, operation, and monitoring of septic and sewage disposal systems over 5,000 gallons per day	<b>LIKELY</b> , if Liberty Gold proposes to utilize septic system(s)
Blasting Permit	Utah State Fire Marshal	Maintain, store, use or handle explosive materials	<b>REQUIRED</b>
State Business License	Utah Division of Corporations and Commercial Code	License to operate in the state of Utah	<b>REQUIRED</b>
<b>Local Permits for Washington County</b>			
Building Permits	Washington County	Ensure compliance with local building standards/requirements	<b>REQUIRED</b> , Development must meet Washington county code.
Conditional Use Permit		Provided as necessary under applicable zoning ordinances	<b>MAYBE</b>
Business License		License for the engagement of business activities	<b>REQUIRED</b>
Road Maintenance Agreement		Agreement to utilize the county road for mining activities and perform maintenance	<b>MAYBE</b>

The BLM Plan of Operations must provide sufficient detail to identify and disclose potential environmental impacts during the mandatory *National Environmental Policy Act* (“**NEPA**”) review process, under which the potential impacts associated with project development are analyzed. The most likely level of NEPA analysis for this project will be an environmental impact statement. Issues that may be associated with federal permitting include potential impacts to:

- Surface and ground water resources including seeps and springs and jurisdictional waters,
- nearby wilderness areas and lands with wilderness characteristics, and
- the Beaver Dam Wash Area of Critical Environmental Concern.

Other issues that could potentially arise during the NEPA process are Native American religious concerns especially as related to water; however, these issues did not arise during the 2017 EA consultation.

At the current phase of the Goldstrike Mine project design, detailed environmental management plans have not yet been developed. During state and federal permitting of the mineral extraction and processing operations, a number of regulatory plans would be required as part of the permit applications. State permitting environmental management plans include:

- Process fluid management plans
- Monitoring plans
- Emergency response plans
- Temporary and seasonal closure plans
- Reclamation plans
- Federal permitting environmental management plans include:
  - Water management plans
  - Rock characterization and handling plans
  - Quality assurance plans
  - Spill contingency plans
  - Reclamation plans
  - Monitoring plans
  - Interim management plans

Additional environmental management plans may be developed as part of the environmental impact analysis conducted by the federal land management agency.

At the current phase of the Goldstrike Mine project, environmental management plans have not yet been developed.

Pursuant to state and federal regulation, any operator who conducts mining operations under an approved Plan of Operations or NOI must furnish a bond in an amount sufficient for stabilizing and reclaiming all areas disturbed by the operations. At the current phase of the Goldstrike Mine project design, a reclamation cost estimate has not yet been developed.

## Capital and Operating Costs

### Capital Costs

Capital costs were estimated via a combination of first-principles models for major components such as mining and processing, as well as factored and benchmarked costs for minor components. The level of accuracy of the capital cost estimate is approximately -20%/+40%. Initial and LOM capital costs for the project are summarized in Table 4.

**Table 4 -Life-of-mine capital costs**

<b>Capital Costs</b>		<b>Initial</b>	<b>LOM</b>
<b>Mining</b>			
Mining Capital	\$M	\$23.5	\$61.3
<b>Infrastructure</b>			
Road Access	\$M	\$4.9	\$5.7
Water	\$M	\$12.9	\$12.9
Power	\$M	\$12.0	\$13.0
Diversion Channels	\$M	\$1.6	\$3.5
<b>Total Infrastructure Capital</b>	<b>\$M</b>	<b>\$31.4</b>	<b>\$35.1</b>
<b>Processing</b>			
Stacking (Lime Addition)	\$M	\$0.4	\$0.5
Recovery Plant	\$M	\$13.7	\$16.8
Laboratory	\$M	\$2.3	\$2.8
Mobile Equipment	\$M	\$0.2	\$0.3
Spare Parts	\$M	\$0.4	\$0.4
Contingency	\$M	\$4.2	\$5.2
Indirect Costs	\$M	\$2.6	\$2.6
Initial Fills	\$M	\$0.6	\$0.6
EPCM & Commissioning	\$M	\$2.1	\$2.1
Process WC	\$M	\$2.4	\$2.4
Leach Pad Phase 1	\$M	\$19.3	\$19.3
Leach Pad Phase 2	\$M	\$0.0	\$8.9
Leach Pad Phase 3	\$M	\$0.0	\$6.6
<b>Total Processing Capital</b>	<b>\$M</b>	<b>\$48.3</b>	<b>\$68.4</b>
<b>Closure Costs</b>	<b>\$M</b>	<b>\$0.0</b>	<b>\$20.0</b>
<b>Owners Costs</b>	<b>\$M</b>	<b>\$10.0</b>	<b>\$10.0</b>
<b>Total Capital Costs</b>	<b>\$M</b>	<b>\$113.2</b>	<b>\$194.8</b>

### Operating Costs

Operating costs for the project were estimated using a combination of first-principles models and factored and benchmarked estimates. The level of accuracy is approximately -25/+25% and is appropriate for a PEA. Operating costs are summarized in Table 5.

**Table 5 -Summary of operating costs**

<b>Operating costs</b>	<b>LOM (\$M)</b>	<b>\$/tonne</b>
Mine Operating Cost	\$272.1	\$4.59
Leach Operating Costs	\$117.5	\$1.98
Water Supply	\$3.5	\$0.06
Road and Infrastructure Maintenance	\$17.0	\$0.29
Site G&A	\$35.2	\$0.59
<b>Total</b>	<b>\$445.3</b>	<b>\$7.51</b>

**Table 6 -Unit cash costs per ounce**

<b>Unit Costs per Ounce</b>	<b>\$/oz</b>
Mine Operating Cost	\$392.16
Leach Operating Costs	\$169.37
Water Supply	\$5.01



Road and Infrastructure Maintenance	\$24.50
Site G&A	\$50.73
<b>Total Operating Unit Cash Cost</b>	<b>\$641.77</b>
Royalty	\$33.33
<b>Total Adjusted Unit Cash Cost</b>	<b>\$675.11</b>
Operating Margin	51%
Sustaining Capital Costs (incl. closure)	\$117.61
<b>All-in Sustaining Costs (AISC)</b>	<b>\$792.72</b>

### *Economic Analysis*

The economic analysis is partly based on 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 preliminary assessment based on these mineral resources will be realized.

The PEA of the Goldstrike Project indicates that the project as conceived has the potential for economic execution.

The base-case after-tax NPV evaluated at a discount rate of 5% is \$129.5M. The internal rate of return is 29.4%. The payback of initial investment is estimated to occur approximately 2.3 years into production.

A positive valuation is maintained across a wide range of sensitivities on key assumptions.

**Table 7 -Production profile summary**

<b>Production Profile</b>	
Total Leach Tonnes Mined	59.3 million
Total Tonnes Waste Mined	70.6 million
Head Grade	0.48g/t
Mine Life	7.5 years
Tonnes per Day Mined	22,500 tpd
Strip Ratio (Waste:Leach Material)	1.2:1
Gold Recovery	78%
Total Gold Ounces Mined	915,516 oz
Total Gold Ounces Recovered	713,004 oz
Average Annual Gold Production <sup>10</sup>	94,493 oz
Peak Annual Gold Production	117,855 oz

**Table 8 -Unit costs per ounce**

<b>Unit Operating Costs</b>	
LOM Average Cash Cost	\$641.77/oz
LOM Average Adjusted Cash Cost	\$675.11/oz
LOM Cash Cost plus Sustaining Cost (AISC)	\$792.72/oz

**Table 9 - Key economic metrics**

<b>Project Economics</b>	
Royalties	2.50%
Pre-tax NPV (5% Discount Rate)	\$176.2
Pre-tax Internal Rate of Return	34.8%
Undiscounted Operating Pre-tax Cash Flow	\$259.3
Corporate Income Tax / Utah Mining Tax	21% / 5%
Post-Tax NPV (5% Discount Rate)	\$129.5
Post-Tax Internal Rate of Return	29.4%
Undiscounted Operating Post-Tax Cash Flow	\$195.5
Post-tax Payback Period (years)	2.3 years

<sup>10</sup> The average annual gold includes only the production over the 7.5 years that the project is in full production. "Remnant" gold recovered at the end of the mine life as the heaps are flushed and drained down, and the time period for this recovery, are excluded from average production rate calculations.

## Exploration, Development, and Production

At the time of the PEA it was recommended that, the aggressive program of drilling that was underway should continue through 2018, in conjunction with other activities designed to assess the economic viability of the Goldstrike Project, including a preliminary economic assessment, additional metallurgical testing and an upgrade to the Plan of Operations to allow for increased access to areas peripheral to the resource area for drilling.

Two phases of exploration work were proposed for 2018. A budget of \$US4.45 million was proposed for the first phase, which includes 2,000 m of core drilling and 14,900 m of reverse-circulation drilling during 2018.<sup>11</sup> Advancement to the second phase of exploration is contingent on acceptable results from the first phase. Reverse-circulation drilling would be focused on:

- i. Assessing the gold content of historic heap leach and low-grade stockpile areas.
- ii. Infill and step-out drilling.

A revision to the Plan of Operations is recommended to reach areas with insufficient access, in order to increase drill hole density pursuant to a revised resource estimate.

Metallurgical testing should be expanded to include areas of the resource not previously tested, with samples derived from large-diameter core drilling in the Peg Leg, Dip Slope, Moosehead, Beavertail and Covington areas.

## Recent Developments

Subsequent to the effective date of the PEA, Liberty Gold reported the following activities on the Goldstrike Project: In 2018:

1. Completion of 24,716 m of drilling in 200 Reverse Circulation (“RC”) and 15 diamond core holes throughout the property, with an emphasis on resource growth. Highlights include\*<sup>12</sup>:
  - Beaver Tail
    - 0.72 g/t Au over 76.2 m including 1.26 g/t Au over 6.1 m in PGS591,
    - 0.98 g/t Au over 15.2 m and 0.81 g/t Au over 27.4 m in PGS594,
  - Peg Leg:
    - 1.17 g/t Au over 67.1 m including 2.21 g/t Au over 25.9 m in PGS630,
    - 0.44 g/t Au over 32.0 m and 1.14 g/t Au over 42.7 m including 2.00 g/t Au over 18.3 m in PGS579 (starting from surface),
    - 0.99 g/t Au over 51.8 m including 2.45 g/t Au over 10.7 m and 1.84 g/t Au over 4.6 m in PGS631,
    - 1.63 g/t Au over 9.1 m and 1.59 g/t Au over 21.3 m in PGS636 (starting from surface),
  - Drilling of surficial materials and underlying bedrock in areas of historical operations:
    - Leach Pad: 0.57 g/t Au over 32.0 m in PGS526; 0.62 g/t Au over 15.2 m in PGS536,
    - Back Fill: 0.58 g/t Au over 16.7 m in PGS538; 0.69 g/t Au over 6.1 m in PGS 551, and
    - Bedrock (under leach pad): 1.42 g/t Au over 13.7 m in PGS556; 0.85 g/t Au over 39.6 m in PGS533.
2. Receipt of an amendment to the Plan of Operations to allow relatively unrestricted access to a contiguous 8.66 km<sup>2</sup> area enclosing all of the existing resource. The amount of disturbance remains the same at 77 acres.

In 2019:

1. Phase 2 metallurgical column testing was completed, included fine and coarse bottle rolls and 12.5 mm (0.5 inch) and 25 mm (1 inch) column tests. In total, 58 bottle rolls (twenty-nine 200 mesh and twenty-nine 10 mesh) and 29 column tests were carried out on 29 composites from the Dip Slope Zone immediately north of the Main Zone (subject to Phase 1 testing) and the Western Zone. Highlights include:
  - 29 Column leach tests produced a weighted average 84.2% gold extraction.

<sup>11</sup> As at September 17, 2018, a total of 1,395 m of core drilling and approximately 19,550 m of reverse-circulation was completed in line with the proposed first phase.

<sup>12</sup> See the Corporation’s press releases dated August 16, 2018, October 24, 2018 and November 5, 2018.

- 29 coarse bottle roll tests (target 80% passing 10 mesh or 1.7mm particle size) produced a weighted average 84.4% gold extraction.
  - 29 fine bottle roll tests (target 80% passing 200 mesh or 75 micron particle size) produced a weighted average 89.7% gold extraction.
  - Gold extraction is relatively insensitive to particle size, except for five composites from the Beavertail area. All other composites can be projected to coarse particle sizes without significant loss of gold extraction.
  - Weighted average modeled extraction for the 29 column tests at a 200mm particle size (8 inches, meant to simulate ROM conditions) is 81.3%.
2. A 6900 m RC drill program was completed with focused on infill in areas of currently unclassified gold mineralisation and extensions to gold mineralization in three portions of the resource area, namely the Western Zone, Main Zone and Dip Slope Zone, for the purpose of further resource delineation, highlights include<sup>13</sup>:
- 1.15 g/t Au over 27.4 m including 3.39 g/t Au over 6.1 m in PGS733,
  - 1.40 g/t Au over 19.8 m including 2.79 g/t Au over 9.1 m in PGS713,
  - 0.75 g/t Au over 21.3 m in PGS726, and
  - 0.71 g/t Au over 18.3 m in PGS714.

Drill composites were calculated using a cut-off of 0.20 g/t. Drill intersections are reported as drilled thicknesses. True widths of the mineralized intervals vary between 30 and 100% of the reported lengths due to varying drill hole orientation but are typically in the range of 60 to 80% of true width. Drill samples were assayed by ALS Limited in Reno, Nevada for gold by Fire Assay of a 30 g (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. 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.

In 2020:

1. A lease covering the Mineral Mountain area in the northwest portion of the property was dropped, resulting in a reduction of 8 claims.
2. Extensive reclamation of drill roads and pads was carried out.

### DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares. There are 262,899,035 Common Shares issued and outstanding as of March 26, 2021. Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Corporation, and to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares are entitled to receive on a pro rata basis such dividends on such Common Shares, if any, as and when declared by the Board at its discretion from funds legally available therefor, and, upon the liquidation, dissolution or winding up of the Corporation, are entitled to receive on a pro rata basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption, retraction, surrender or conversion or exchange rights, nor do they contain any sinking or purchase fund provisions.

The following represents the Corporation's current capital structure:

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<sup>13</sup> See the Corporation's press release dated October 15, 2019.

**Common Shares**

<b>Designation of security</b>	<b>Number of Common Shares authorized</b>	<b>Outstanding on December 31, 2020</b>	<b>Outstanding on March 26, 2021</b>
Common Share	Unlimited	255,491,893	262,899,035

**Warrants**

(a) 2018 Fall Warrants

The Corporation issued 28,893,750 warrants under a bought deal financing on October 2, 2018 that consisted of the issuance of 28,893,750 units of the Corporation for C\$0.40 per unit. Each 2018 Fall Unit consists of one Common Share and one Common Share purchase warrant. Each 2018 Fall Warrant entitles the holder to acquire one Common Share at a price of C\$0.60 per share at any time prior to October 2, 2021.

As at the date of this AIF, 8,182,000 of the 2018 Fall Warrants have been exercised.

**Principal Shareholders of Liberty Gold**

As at the date of this AIF, no person or company beneficially owns, directly or indirectly, or exercises control or direction over Common Shares carrying more than 10% of the outstanding voting rights attached to the Common Shares other than as follows:

<b>Name</b>	<b>Designation of security</b>	<b>Number as at the Date of this AIF (Percentage)</b>
Van Eck Associates Corporation	Common Shares	11.2%

**DIVIDENDS AND DISTRIBUTIONS**

There are no restrictions that prevent the Corporation from paying dividends or distributions. However, the Corporation has not paid any dividends or distributions on its Common Shares since incorporation and there are no plans to pay dividends at this time. At present, all available funds are invested to finance the growth of the Corporation and the exploration and development of its mineral properties. Any decision to pay dividends on its Common Shares in the future will be made by the Board from time to time, in its discretion, on the basis of many factors, including Liberty Gold's earnings, operating results, financial condition and anticipated cash needs and other conditions existing at such time.

**ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER**

There are no securities of the Corporation currently held in escrow or subject to a pooling agreement or subject to any other contractual restriction on transfer.

**MARKET FOR SECURITIES**

**Trading Activity and Volume**

The Corporation's Common Shares trade on the TSX under the symbol "LGD".

The following table sets forth, for the periods indicated, the reported high and low daily trading prices (in Canadian dollars) and the aggregate volume of trading of the Common Shares on the TSX during the year ended December 31, 2020.<sup>14</sup>

Month	Monthly High Price (\$)	Monthly Low Price (\$)	Monthly Volume
January 2020	1.34	1.06	8,355,984
February 2020	1.44	1.15	8,284,570
March 2020	1.23	0.69	12,567,817
April 2020	1.33	0.91	7,505,324
May 2020	1.375	1.26	6,162,602
June 2020	2.22	1.27	15,220,518
July 2020	2.4	2.01	12,689,375
August 2020	2.39	2.01	11,000,732
September 2020	2.36	1.98	11,171,673
October 2020	2.18	1.82	5,239,766
November 2020	2.01	1.7	6,783,089
December 2020	1.76	1.59	6,961,976

### Prior Sales

#### *Non-trading securities – Warrants*

In the twelve months ended December 31, 2020 the Corporation did not issue any warrants.

#### *Non-trading securities – Options*

The Corporation issued the following Options during fiscal 2020:

Date of Grant	Number of Stock Options Issued	Exercise Price (C\$)	Expiry Date
February 24, 2020	300,000	\$1.38	February 23, 2025
June 17, 2020	50,000	\$1.55	June 16, 2025
July 1, 2020	100,000	\$2.12	June 30, 2025
July 20, 2020	75,000	\$2.25	July 19, 2025
November 30, 2020	300,000	\$1.73	November 29, 2025
December 8, 2020	2,150,000	\$1.66	December 7, 2025

As at March 26, 2021, there were 10,797,288 Common Shares issuable upon the exercise of outstanding Options at a weighted average exercise price of C\$0.72 per Common Share. 677,250 additional Options were issued in the period subsequent to December 31, 2020 to the date of this AIF with an exercise price of C\$1.59, vesting immediately.

#### *Non-trading securities – Restricted Share Units and Deferred Share Units*

The Corporation had 2,576,039 RSUs and 2,133,986 DSUs outstanding as at December 31, 2020.

The RSUs vest either immediately, in thirds at the end of each year or half at the end of each year and expire on December 31 of the third year after grant. RSUs granted in 2020 have an expiry date of December 31, 2023.

Date of Grant	Number of RSUs Awarded	Share Price on date of Award (C\$)
August 14, 2020	35,885	\$2.09
December 8, 2020	848,776	\$1.66

There were no additional issuances of RSUs in the period subsequent to December 31, 2020 to the date of this AIF.

The DSUs vest immediately, have no expiration date, and are redeemable upon termination of service.

<sup>14</sup> Source: TSX InfoSuite

<b>Date of Grant</b>	<b>Number of DSUs Awarded</b>	<b>Share Price on date of Award (C\$)</b>
January 2, 2020	432,499	\$1.09
October 1, 2020	18,487	\$2.13

There was an additional issuance of 21,997 DSUs in the period subsequent to December 31, 2020 to the date of this AIF.

### Share Ownership by Directors and Executive Officers

As at December 31, 2020 and as at March 26, 2021, the directors and executive officers of the Corporation, as a group, beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 19,044,321 Common Shares and 19,270,659 Common Shares, respectively, representing approximately 7.32 % and 7.33%, respectively, of the issued and outstanding Common Shares as of such dates.

On a partially-diluted basis, assuming the exercise of all Options, RSUs, DSUs, and Warrants, the directors and executive officers of the Corporation, as a group beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 36,800,846 Common Shares representing approximately 14.14% of the issued and outstanding Common Shares as of December 31, 2020. As at March 26, 2021, the group beneficially owned, or exercised control or direction over, directly or indirectly, on a partially diluted basis, an aggregate of 36,460,844 Common Shares representing approximately 13.87% of the issued and outstanding Common Shares.

## GOVERNANCE

### Directors and Officers of the Corporation

As of March 26, 2021, the name, province or state and country of residence, position or office held with the Corporation and principal occupation for the immediately preceding five years of each of the directors and executive officers of the Corporation are as follows, with all companies listed still carrying on business as of the date hereof unless otherwise noted:

<b>Name, Province/State of Residence</b>	<b>Office held with Corporation and Principal Occupation for Five Preceding Years</b>	<b>Director Since</b>
Mark O'Dea <sup>(1)(2)</sup> British Columbia, Canada	<i>Chair and Director</i> Director, and Executive Chair, Northwest Copper Corp. (" <b>Northwest Copper</b> ") <sup>(5)</sup> (March 2021 to present) Director, Sun Metals Corp. (" <b>Sun Metals</b> ") <sup>(6)</sup> (January 2018 to March 2021) Director, Discovery Metals Corp. (" <b>Discovery</b> ") <sup>(5)</sup> (May 2017 to present) President and Director, Oxygen (February 2012 to present) <sup>(7)</sup> Director, Pure Gold Mining Inc. (" <b>Pure Gold</b> ") <sup>(5)</sup> (February 2010 to present) Director, NexGen Energy Ltd. <sup>(8)</sup> (November 2016 to December 12, 2017) Executive Chair, True Gold Mining Inc. (" <b>True Gold</b> ") <sup>(9)</sup> (December 2012 to April 2016)	April 2011
Cal Everett <sup>(2)</sup> British Columbia, Canada	<i>President, Chief Executive Officer and Director</i> Director, and co-founder of Axemen Resource Capital Ltd. <sup>(10)</sup> (2008-2016)	February 2016

Name, Province/State of Residence	Office held with Corporation and Principal Occupation for Five Preceding Years	Director Since
Donald McInnes <sup>(3)(4)</sup> British Columbia, Canada	<p><i>Director</i></p> <p>Chairman, Sun Metals (January 2018 to March 2021)<sup>(6)</sup></p> <p>Director, Lattice Biologics Ltd. ("<b>Lattice</b>")<sup>(11)</sup> (April 2016 to March 2021)</p> <p>Director, Aurelius Minerals Inc. ("<b>Aurelius</b>")<sup>(5)</sup> (August 2012 to February 2020)</p> <p>Director, and Vice-President, Oxygen (February 2012 to present)<sup>(7)</sup></p> <p>Director, Royal Nickel Corporation ("<b>RNC</b>")<sup>(5)</sup> (June 2014 to February 2018)</p> <p>Director, True Gold<sup>(9)</sup> (December 2012 to April 2016)</p> <p>Vice Chair, Alterra Power Corp. ("<b>Alterra</b>")<sup>(12)</sup> (March 2011 to February 2018)</p>	April 2011
Robert Pease <sup>(2)(3)(4)</sup> British Columbia, Canada	<p><i>Director</i></p> <p>Director, FPX Nickel (November 2017 to present)<sup>(5)</sup></p> <p>Director, Pure Gold (March 2014 to present)<sup>(5)</sup></p> <p>Director, Endurance Gold Corporation<sup>(5)</sup> ("<b>Endurance</b>") (April 2011 to present)</p> <p>Director, Libero Mining Corporation ("<b>Libero</b>") (May 2016 to present)<sup>(5)</sup></p> <p>Interim President &amp; CEO, Liberty Gold (November 2015 to February 2016)</p> <p>Director, Luna Gold Corp. ("<b>Luna</b>") (June 2015 to March 31, 2017)<sup>(13)</sup></p> <p>President and CEO of Sabina Gold &amp; Silver Corp.<sup>(5)</sup> (October 2012 to February 2015)</p> <p>Director, Red Eagle Mining Corporation ("<b>Red Eagle</b>") (June 2011 to November 2019)<sup>(14)</sup></p>	April 2011
Sean Tetzlaff <sup>(1)(3)</sup> British Columbia, Canada	<p><i>Director</i></p> <p>Director, Northwest Copper (March 2021 to present)<sup>(5)</sup></p> <p>Director, Sun Metals (January 2018 to March 2021)<sup>(6)</sup></p> <p>Director and Vice-President, Oxygen (February 2012 to present)<sup>(7)</sup></p> <p>Chief Financial Officer (June 2014 to present) and Corporate Secretary (September 2016 to present), Pure Gold<sup>(5)</sup></p>	February 2011
Barbara Womersley <sup>(1)(4)</sup> British Columbia, Canada	<p><i>Director</i></p> <p>Principal Consultant, Barbara J Womersley Consulting (November 2014 to present)<sup>(15)</sup></p>	February 2020
Greg Etter Texas, USA	<p><i>Director</i></p> <p>Vice President and Senior Vice President, Kinross Gold Corporation (July 2007 to March 2020)<sup>(16)</sup></p>	November 2020
Joanna Bailey <sup>(17)</sup> British Columbia, Canada	<p><i>Chief Financial Officer and Corporate Secretary (April 2017 to present)</i></p> <p>Corporate Controller, Liberty Gold (April 2011 to March 2017)</p>	N/A
Moiria Smith <sup>(18)</sup> Nevada, United States	<p><i>Vice-President, Exploration and Geoscience (February 2015 to present)</i></p> <p>Chief Geologist, Liberty Gold (April 2011 to February 2015)</p>	N/A
Peter Shabestari Utah, United States	<p><i>Vice-President, Operations (July 2020 to present)</i></p> <p>Senior Geologist, Liberty Gold (April 2011 to July 2020)</p>	N/A

Notes:

- (1) Member of the Compensation Committee of the Board.
- (2) Member of the Health, Safety and Sustainability Committee of the Board.
- (3) Member of the Audit Committee.
- (4) Member of the Corporate Governance and Nominating Committee of the Board
- (5) A mineral property exploration and development company.
- (6) Sun Metals was mineral property exploration and development company that merged in March 2021 with Serengeti Resources Inc. to form Northwest Copper Corp.
- (7) Liberty Gold also receives administrative services and office space on a cost recovery basis from Oxygen. None of the directors of Oxygen receive remuneration by virtue of their ownership of Oxygen.
- (8) An exploration and development company focused on uranium in the Athabasca Basin in Saskatchewan.
- (9) Acquired by Endeavour Mining Corporation in April 2016.
- (10) An exempt market dealer focused on mineral exploration and mining companies
- (11) An emerging leader in the field of cellular therapies and tissue engineering
- (12) A global renewable energy company; acquired by Innergex Renewable Energy Inc. in February 2018.
- (13) A mineral property exploration and development company that combined with JDL Gold Corp. to form Trek Mining Inc. in March 2017.
- (14) Red Eagle is subject to a cease-trade order issued by the British Columbia Securities Commission on November 20, 2018, see further details under section headed "Cease Trade Orders, Bankruptcies, Penalties or Sanctions"
- (15) A private Human Resources consultancy.
- (16) A senior gold producer with operations on four continents.
- (17) Joanna Bailey is also a director of Cadillac Mining Corporation, and Cadillac West Explorations Inc. ("CWE"), each a wholly owned subsidiary of the Corporation.
- (18) Dr. Smith is also a director of Pilot USA and Pilot Goldstrike Inc., each a wholly owned subsidiary of the Corporation.

The term of office of each of the Corporation's directors expires at the Corporation's next AGM at which directors are elected for the upcoming year or when his successor is duly elected, or earlier in accordance with the by-laws of the Corporation. The next scheduled AGM will be held on June 8, 2021.

#### **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

Except as disclosed below no director or executive officer of Liberty Gold is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief financial officer or chief executive officer of any company (including the Corporation) that:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (any such order, an "**Order**") that was issued while that person was acting in that capacity; or
- (b) was subject to an Order that was issued after that person ceased to act in such capacity and which Order resulted from an event that occurred while that person was acting in that capacity; and

No director or executive officer of the Corporation, or shareholder holding a sufficient number of Common Shares to materially affect the control of the Corporation:

- (c) is, at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets; and

No director or executive officer of the Corporation holding a sufficient number of securities of the Corporation to affect, materially, the control of the Corporation has been subject to:



- (e) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (f) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

The information contained in this AIF as to ownership of securities of the Corporation, corporate cease trade orders, bankruptcies, penalties or sanctions, and existing or potential conflicts of interest, not being within the knowledge of the Corporation, has been provided by each director and executive officer of the Corporation individually.

Robert Pease was a director until November 8, 2018, of Red Eagle Mining Corp. (“Red Eagle”) which owned and operated the Santa Rosa mine in Colombia. Due to start up issues, Red Eagle had difficulty servicing its project debt and the mine was only able to commence commercial production on the basis of forbearances from the secured lenders. In August 2018, Red Eagle obtained a firm commitment from a third party to refinance the debt with substantial concessions and co-operation from the secured lenders. In October 2018, this third party defaulted on its commitment and as a result, the secured lenders withdrew their forbearances and appointed a receiver-manager over the assets of Red Eagle. It is expected that legal action will be commenced against the third party who defaulted on the financing commitment. Red Eagle is subject to a cease-trade order issued by the British Columbia Securities Commission on November 20, 2018, for failure to file interim financial statements, management’s discussion and analysis, and certification of interim filings for the period ended September 30, 2018.

#### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

Except as otherwise disclosed in this AIF, the Corporation is not currently, and has not at any time during its most recently completed financial year, been a party to, nor has any of its property been the subject of, any material legal proceedings or regulatory actions. The Corporation is not aware of any such proceedings or actions threatened or known to be contemplated.

#### **CONFLICTS OF INTEREST**

Except as disclosed herein, to the knowledge of management of the Corporation, there are no existing or potential material conflicts of interest between the Corporation and any of its subsidiaries and any director or officer of the Corporation. Directors and officers of the Corporation may serve as directors and/or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation or any of its subsidiaries may participate, the directors of the Corporation may have a conflict of interest in negotiating and conducting terms in respect of such participation. If such conflict of interest arises at a meeting of the Board, a director who has such a conflict is required to disclose such conflict and abstain from voting for or against the approval of such participation or such terms.

#### **INTERESTS OF EXPERTS**

The Corporation relies on experts to audit its annual consolidated financial statements, and to prepare mineral resource estimates on certain of the Corporation’s mineral properties, and related technical reports.

Each of the following authors of the respective Technical Reports referenced in this AIF is a Qualified Person:

<b>Technical Report</b>	<b>Qualified Person</b>
<p><i>“Preliminary Economic Assessment and Independent Technical Report for the Goldstrike Project, Washington County, Utah, USA”, effective February 8, 2018 and signed July 16, 2018</i></p>	<p>Bob McCarthy, P.Eng., Valerie Sawyer, SME., David Rowe, CPG., Neil Winkelmann, FAusIMM., SRK Consulting (Canada) Inc.                      Gary Simmons, MMSA, GL Simmons Consulting LLC                      James N. Gray, P.Geo., Advantage Geoservices Ltd                      George Lightwood, SME, Golder Associates Inc.                      Carl Defilippi, RM SME, Kappes Cassidy &amp; Associates                      Russell Browne, P.E., Michael Bidart, Golder Associates Inc.</p>

Technical Report	Qualified Person
<p><i>“Technical Report of the Black Pine Gold Project, Cassia County, Idaho, USA”, effective July 23, 2018 and signed September 7, 2018</i></p>	<p>Michael Gustin, CPG, Mine Development Associates                      Moira T. Smith, Ph.D., P.Geo., Liberty Gold Corp.                      William A. Lepore, M.Sc., P.Geo., Liberty Gold Corp.</p>

In the case of the following news releases issued by the Corporation (available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com)), from which certain Technical Information contained in this AIF has been derived, Moira Smith, Ph.D., P.Geo., an officer of the Corporation is a Qualified Person:

- |                                |                      |                      |                     |
|--------------------------------|----------------------|----------------------|---------------------|
| • March 22, 2018               | • January 14, 2019   | • January 7, 2020    | • January 12, 2021  |
| • March 27, 2018               | • February 19, 2019  | • January 16, 2020   | • February 18, 2021 |
| • April 11, 2018               | • March 28, 2019     | • January 23, 2020   | • March 24, 2021    |
| • May 9, 2018                  | • May 6, 2019        | • February 25, 2020  |                     |
| • May 11, 2018                 | • May 13, 2019       | • March 12, 2020     |                     |
| • July 10, 2018 <sup>(1)</sup> | • May 28, 2019       | • March 26, 2020     |                     |
| • July 16, 2018                | • May 29, 2019       | • April 01, 2020     |                     |
| • August 14, 2018              | • May 30, 2019       | • May 04, 2020       |                     |
| • August 16, 2018              | • June 19, 2019      | • May 13, 2020       |                     |
| • August 28, 2018              | • July 12, 2019      | • June 02, 2020      |                     |
| • September 10, 2018           | • July 15, 2019      | • June 08, 2020      |                     |
| • September 12, 2018           | • July 22, 2019      | • June 10, 2020      |                     |
| • September 13, 2018           | • July 31, 2019      | • June 16, 2020      |                     |
| • October 2, 2018              | • August 13, 2019    | • June 23, 2020      |                     |
| • October 24, 2018             | • August 19, 2019    | • July 14, 2020      |                     |
| • November 5, 2018             | • September 10, 2019 | • July 28, 2020      |                     |
| • November 13, 2018            | • September 12, 2019 | • August 12, 2020    |                     |
| • November 15, 2018            | • October 1, 2019    | • August 12, 2020    |                     |
| • November 29, 2018            | • October 15, 2019   | • August 18, 2020    |                     |
| • December 10, 2018            | • November 5, 2019   | • August 28, 2020    |                     |
|                                | • November 12, 2019  | • September 10, 2020 |                     |
|                                | • November 18, 2019  | • September 29, 2020 |                     |
|                                | • December 2, 2019   | • November 10, 2020  |                     |
|                                |                      | • November 13, 2020  |                     |
|                                |                      | • December 02, 2020  |                     |
|                                |                      | • December 03, 2020  |                     |
|                                |                      | • December 22, 2020  |                     |

<sup>(1)</sup> Bob McCarthy, P.Eng. - SRK Consulting (Canada) Inc.; Russ Browne, PE - Golder Associates Inc.; Carl Defilippi, RM SME - Kappes Cassiday & Associates; James N. Gray, P.Geo. - Advantage Geoservices Ltd.; and Gary Simmons, MMSA - GL Simmons Consulting, LLC, were the Qualified Persons in this news release.

Other than as described below, based on information provided by the experts as at March 26, 2021, the experts named above did not have any registered or beneficial interest, direct or indirect, in any securities or other property of the Corporation or one of its associates or affiliates, when the experts prepared their respective reports, and no securities or other property of the Corporation or one of its associates or affiliates were subsequently received or are to be received by such experts.

Dr. Smith is not independent of Liberty Gold by virtue of her employment with the Corporation. Dr. Smith is Vice-President Exploration and Geoscience of Liberty Gold and holds Common Shares, Options, Warrants and RSUs. As of the date hereof, and as of the date of the press releases for which she was the Corporation’s Qualified Person, the Common Shares, Options and RSUs held by Dr. Smith, represents approximately 1% of the issued and outstanding Common Shares.

Gary Simmons of GL Simmons Consulting LLC holds 50,000 Options granted on June 17, 2020 with an exercise price of C\$1.55. As of the date hereof, the Options held by Mr. Simmons represents approximately 0.02% of the issued and outstanding Common Shares.

The Corporation's auditors are PricewaterhouseCoopers LLP ("PwC"), Chartered Professional Accountants, who have prepared an independent auditor's report dated March 26, 2021 in respect of the Corporation's consolidated financial statements as at December 31, 2020 and 2019 and for years then ended. PwC has advised that they are independent with respect to the Corporation within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

### INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this AIF, no director, executive officer, or shareholder beneficially owning or exercising control or direction over, directly or indirectly, more than 10% of the Common Shares, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction during the current fiscal year or within the three most recently completed financial years or in any proposed transaction which, in either such case, has materially affected or is reasonably expected to materially affect the Corporation.

### TRANSFER AGENT AND REGISTRAR

As of the date of this AIF, the registrar and transfer agent for the Corporation's Common Shares is Computershare Investor Services Inc. (Canada), located at 510 Burrard St., 3<sup>rd</sup> Floor, Vancouver, British Columbia.

### MATERIAL CONTRACTS

The only material contracts entered into by the Corporation, during the most recently completed financial year until the date of this AIF or before the most recently completed financial year of the Corporation but which are still in effect, are as follows:

1. The Arrangement Agreement among Newmont Mining Corporation, Fronteer Gold Inc. and Liberty Gold Corp. dated February 3, 2011, pursuant to which Newmont acquired all of the outstanding common shares of Fronteer by way of a plan of arrangement. See "*General Development of the Business*".
2. The Biga Property, Turkey Memorandum of Understanding between Fronteer and TMST dated October 19, 2004 pursuant to which Fronteer, was granted an option to acquire a 100% interest in a group of properties known as the Biga Properties (which includes Halilağa and TV Tower) and TMST was granted certain back-in rights. Under the terms of the related agreement, TMST and Fronteer earned a 60% and 40% interest, respectively, in Halilağa and four other designated properties. Fronteer's rights in the agreement were acquired by the Corporation in connection with the acquisition of the shares of PII (formerly, FII), as described in this AIF.
3. The FII Share Purchase Agreement between Fronteer Holdings Inc. ("**FHI**") and Pilot Holdings Inc. ("**PHI**") dated April 4, 2011, pursuant to which FHI, a wholly owned subsidiary of Fronteer, sold to PHI, all of the issued and outstanding shares of PII. As a result of such purchase, PHI indirectly acquired all of PII's 40% interest in the Turkish Properties and a 100% interest in three other prospective properties in Turkey.
4. The Amended and Restated TV Tower Joint Venture Letter Agreement among Liberty Gold, PII, Agola, TMST and Orta Truva dated December 10, 2014 governing the terms of the joint venture relationship between the Corporation and TMST, superseding the original TV Tower Agreement, dated June 20, 2012, and the memoranda of understanding and Biga Agreements as related to Orta Truva and TV Tower. See "*Risk Factors – Joint Venture Interests*".
5. The Warrant Indenture between the Corporation and Computershare Trust Company of Canada dated October 2, 2018, providing for the issue of the 2018 Fall Warrants, and Computershare Trust Company of Canada as warrant agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of 2018 Fall Warrants issued pursuant to the Warrant Indenture.

6. The Share Purchase Agreement between Cengiz Holdings A.Ş. (“**Cengiz**”) and Pilot Investments Inc and Teck Madencilik Sanayi Ticaret A.Ş. and Truva Bakır Maden İşletmeleri A.Ş. dated July 11, 2019, pursuant to which Cengiz will acquire all of the issued and outstanding shares of Truva Bakır.

Copies of each of the material contracts described above have been filed with the applicable Canadian securities regulatory authorities and are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **BOARD COMMITTEES**

The Board has four standing committees: (i) Audit; (ii) Compensation; (iii) Corporate Governance and Nominating; and (iv) Health, Safety and Sustainability. A Disclosure Committee has also been formed as a sub-committee of the Corporate Governance and Nominating Committee. Details as to the composition and mandate of the audit committee of the Board (the “**Audit Committee**”), are described in this AIF under the heading “Information Concerning the Audit Committee and External Auditor”; detail related to the mandates and composition of the Compensation Committee, Corporate Governance and Nominating Committee, and the Health, Safety and Sustainability Committee are described in the Information Circular, and which will be filed on SEDAR at [www.sedar.com](http://www.sedar.com).

## **INFORMATION CONCERNING THE AUDIT COMMITTEE AND EXTERNAL AUDITOR**

### ***Audit Committee Charter***

The Corporation’s Audit Committee has a written charter to follow in carrying out its audit and financial review functions (the “**Audit Committee Charter**”), a copy of which is attached to this AIF as Schedule “A”. The Audit Committee reviews all financial statements of the Corporation prior to their publication, reviews audits, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them and reviews fees for audit services. The Audit Committee meets separately (without management present) with the Corporation’s auditors to discuss the various aspects of the Corporation’s financial statements and the independent audit.

The Corporation has also adopted a code of ethics (the “**Code of Ethics**”) that applies to all personnel of the Corporation. A copy of the Code of Ethics is attached as Schedule “B” to this AIF. Employees of the Corporation are encouraged to report suspected violations of the Code of Ethics to the ‘Complaints Officer’. The Complaints Officer is the Chair of the Audit Committee.

### ***Audit Committee Oversight***

At no time during the fiscal year ended December 31, 2020 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### ***Pre-Approval Policies and Procedure***

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter attached as Schedule “A” hereto.

### ***Composition of the Audit Committee***

The Audit Committee was constituted on April 3, 2011 by resolution of the Board. As of the date of this AIF, the members of the Audit Committee are Sean Tetzlaff (Chair), Donald McInnes and Robert Pease, each of whom is “independent” and “financially literate” for the purposes of *National Instrument 52-110 – Audit Committees*.

### ***Relevant Education and Experience***

The following is a description of the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member:

*Sean Tetzlaff*

Mr. Tetzlaff is currently Chief Financial Officer and Corporate Secretary of Pure Gold, a director and Audit Committee member of Northwest Copper, formerly chair the Audit Committee of Sun Metals, and an owner and director of Oxygen. From December 2011 to December 2012 Mr. Tetzlaff was the Chief Financial Officer and Corporate Secretary of Blue Gold. From 2005 to April 2011 he served as Chief Financial Officer, Vice-President Finance and Corporate Secretary of Fronteer. In these capacities he had oversight of financial, legal and contractual matters for each company's respective operations and various international subsidiaries, and was responsible for the successful execution of numerous equity investments, asset divestitures and M&A transactions. Mr. Tetzlaff also served as Chief Financial Officer of Aurora Energy Resource ("Aurora") from 2006 to 2008, helping that company grow from initial public offering through to the advancement of one of the world's largest undeveloped uranium deposits. Mr. Tetzlaff previously served as Senior Manager (2002 to 2004) and Manager (1999-2001) with the tax group at KPMG LLP and was Chief Financial Officer of Valerie Gold Resources Ltd. and Emgold Mining Corporation from 1996-1999. Mr. Tetzlaff earned a B. Comm from the University of British Columbia in 1991 and earned his Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia in 1994.

*Donald McInnes*

Mr. McInnes holds a B.A. from Dalhousie University and has over 30 years' experience in the mineral exploration industry; in that time has contributed to raising more than \$1 billion in debt and equity financing. Since 1993, Mr. McInnes has been a founder, president and director of a number of publicly-traded mineral exploration companies and has sat on numerous audit committees. He is currently, a director or officer of a number of privately held development companies. He is the past Chair of Sun Metals, and a past director of Lattice. Mr. McInnes was previously Vice Chair of Alterra (March 2011 to February 2018), a director of RNC (June 2014 to February 2018) and Aurelius (August 2012 to February 2020), a director and audit committee member of True Gold (December 2012 to April 2016), Vice Chair of Blue Gold (September 2011 to December 2012), a director and audit committee member of Fronteer (2001 to April 2011) and was the founder of Kutcho Copper Corp. (formerly Western Keltic Mines Inc.), holding the position of President from 1993 to 2006, and Vice Chair and CEO of Plutonic from June 1999 to March 2011, a renewable power development company he founded with a portfolio of clean-energy projects, which merged to form Alterra. Mr. McInnes is also a director, and past Chair of the board of directors of Prostate Cancer Canada and was a Governor of the Business Council of British Columbia, a non-partisan organization advising political leaders on issues to enhance British Columbia's competitiveness and prosperity. Mr. McInnes has also been a director of the Clean Energy Association of British Columbia, the Association for Mineral Exploration British Columbia and the Prospectors and Developers Association of Canada.

*Robert Pease*

Mr. Pease has been involved with mineral exploration and mine development projects worldwide for the past 30 years. He holds a B.Sc. degree in Earth Sciences from the University of Waterloo, a Professional Geologist (British Columbia) certification and is a Fellow of the Geological Association of Canada. He held the position of Interim President and CEO of Liberty Gold from November 2015-February 2016 and has been on the Board since April 2011. Mr. Pease is a director of FPX Nickel, Red Eagle, Pure Gold, Endurance and Libero. He was formerly a director of Luna from June 2015 until March 2017 until its business combination with JDL Gold Corp., President and Chief Executive Officer of Terrane Metals Corp. from its inception in 2006 until its acquisition in 2010 by Thompson Creek Metals Company, and was a director and strategic advisor of Richfield Ventures Corp., a publicly-traded exploration-stage mining company acquired by New Gold Inc. in 2011. Prior to this period Mr. Pease was employed by Placer Dome Inc. for twenty-five years and held the position of General Manager (Canada Exploration and Global Major Projects) toward the end of his time with that company. In 2010, he was named "BC Mining Person of the Year" by the Mining Association of BC.

**Auditor**

PwC has been the Corporation's external auditor since February 25, 2011. PwC conducts the annual audit of Liberty Gold's consolidated financial statements and on occasion, provides audit-related, tax and other services. PwC reports to the Audit Committee.

### External Auditor Service Fees

The following table shows the fees paid, net of 5% administrative surcharge, by the Corporation to PwC for services in the years ended December 31, 2020 and 2019:

	Year ended December 31, 2020	Year ended December 31, 2019
<b>Audit fees</b>	C\$93,607	C\$72,931
<b>Audit related fees</b>	C\$51,896	C\$50,400
<b>Tax Fees</b>	C\$5,885	None
<b>All Other Fees</b>	None	None
<b>Total</b>	C\$151,388	C\$123,331

Audit fees paid increased from 2019 to 2020, reflecting the timing of invoices and payments whereby a larger portion of the fee related to the prior year audit was paid in the current year than in the comparative period. The base annual audit fee charged by PwC to the Corporation increased over that paid relating to the 2019 audit.

In 2019 and 2020, audit-related fees primarily related to fees paid entirely for interim reviews and related procedures of the Corporation's quarterly financial statements.

### ADDITIONAL INFORMATION

Additional information, including particulars of directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Corporation's Information Circular. Additional financial information is also provided in Audited Financial Statements and the related MD&A.

A copy of such documents, and of this AIF, as well as additional information relating to the Corporation, is available on SEDAR under the Corporation's profile at [www.sedar.com](http://www.sedar.com). Copies may also be obtained upon request from the Corporate Secretary of the Corporation. The Corporation may require payment of a reasonable charge if the request is made by a person who is not a holder of securities of the Corporation. Information on the Corporation's website is not part of this AIF or incorporated by reference.

Additional information relating to the Corporation may be found on SEDAR under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

## SCHEDULE A – AUDIT COMMITTEE CHARTER

Charter of the Audit Committee of the Board of Directors of Liberty Gold Corp.

### 1. ROLE AND OBJECTIVE

The Audit Committee (the “**Committee**”) is appointed by and reports to the board of directors (the “**Board**”) of Liberty Gold Corp. (the “**Corporation**”). The Committee assists the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation.

The Committee and its membership shall to the best of its ability, knowledge and acting reasonably, meet all applicable legal, regulatory and listing requirements, including, without limitation, those of any stock exchange on which the Corporation’s shares are listed, the *Canada Business Corporations Act* (the “**Act**”), and all applicable securities regulatory authorities.

### 2. COMPOSITION

- The Committee shall be composed of three or more directors as shall be designated by the Board from time to time.
- Each member of the Committee shall be “independent” and financially literate (as such terms are defined under applicable securities laws and exchange requirements for audit committee purposes).
- Each member of the Committee shall be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement.
- Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders’ meeting. Each member shall serve until his/her successor is appointed unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation. Any member may be removed or replaced at any time by the Board.
- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by a vote of a majority of the Board.
- A Chair of the Committee shall be designated by the Board or, if it does not do so, the members of the Committee shall elect a chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be an independent director (as described above).
- If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.
- The Chair of the Committee presiding at any meeting shall not have a casting vote.
- The Committee shall appoint a secretary (the “**Secretary**”) who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee. This role is normally filled by the Secretary of the Corporation.
- No Committee member shall simultaneously serve on the audit committee of more than two other public companies with active business operations or significant assets.

### 3. MEETINGS

- The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, provided that meetings of the Committee shall be convened whenever requested by the external auditors (the “Independent Auditors”) or any member of the Committee in accordance with the Act.
- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee at least 48 hours prior to the time fixed for such meeting.

- A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- A majority of Committee members present in person, by videoconference, by telephone or by a combination thereof, shall constitute a quorum.
- If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office for no more than six months, at which time the vacancy will be filled by a vote of a majority of the Board.
- At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made at a meeting duly called and held.
- The CEO and CFO are expected to be available to attend meetings, but a portion of every meeting will be reserved for in camera discussion without the CEO or CFO, or any other member of management, being present.
- The Committee may by specific invitation have other resource persons in attendance such officers, directors and employees of the Corporation and its subsidiaries, and other persons, including the Independent Auditors, as it may see fit, from time to time, to attend at meetings of the Committee.
- The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
- The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.
- Minutes of Committee meetings shall be sent to all Committee members.
- The Chair of the Committee shall report periodically the Committee's findings and recommendations to the Board.

#### **4. RESOURCES AND AUTHORITY**

- The Committee shall have access to such officers and employees of the Corporation and its subsidiaries and to such information with respect to the Corporation and its subsidiaries as it considers being necessary or advisable in order to perform its duties and responsibilities.
- The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors and resources, as it deems advisable, at the expense of the Corporation.
- The Committee shall have the authority to communicate directly with the internal and external auditors.

#### **5. RESPONSIBILITIES**

##### **A. Chair**

To carry out its oversight responsibilities, the Chair of the Committee shall undertake the following:



- provide leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;
- chair meetings of the Committee, unless not present (including in camera sessions), and reports to the Board following each meeting of the Committee on the findings, activities and any recommendations of the Committee;
- ensures that the Committee meets on a regular basis and at least four times per year;
- in consultation with the Committee members, establishes a calendar for holding meetings of the Committee;
- establish the agenda for each meeting of the Committee, with input from other Committee members, and any other parties, as applicable;
- ensures that Committee materials are available to any director on request;
- acts as liaison and maintains communication with the Chair of the Board (or Lead Director if an individual other than the Chair) and the Board to optimize and coordinate input from Board members, and to optimize the effectiveness of the Committee. This includes, at least annually and at such other times and in such manner as the Committee considers advisable, reporting to the full Board on:
  - all proceedings and deliberations of the Committee;
    - a. the role of the Committee and the effectiveness of the Committee in contributing to the objectives and responsibilities of the Board as a whole; and
  - principal operating and business risks identified by management and how each are either mitigated or managed.
- ensure that the members of the Committee understand and discharge their duties and obligations;
- foster ethical and responsible decision making by the Committee and its individual members;
- encourage Committee members to ask questions and express viewpoints during meetings;
- together with the Corporate Governance and Nominating Committee, oversee the structure, composition, membership and activities delegated to the Committee from time to time;
- ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently and pre-approve work to be done for the Committee by consultants;
- facilitate effective communication between members of the Committee and management;
- encourage the Committee to meet in separate, regularly scheduled, non-management, closed sessions with the Independent Auditors;
- attend each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and
- perform such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

B. The Committee

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or legal counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee is hereby delegated the duties and powers specified in Section 171 of the Act and, without limiting these duties and powers, the Committee will carry out the following responsibilities:

A. Financial Accounting and Reporting Process and Internal Controls

- review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable Canadian accounting standards and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements prior to their being filed with the appropriate regulatory authorities. The Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements and in the interim financial statements is not significantly erroneous, misleading or incomplete and that the audit and review functions have been effectively carried out.
- review management's internal control report. In consultation with the Independent Auditors, the Committee shall assess the integrity of internal controls and financial reporting procedures and ensure implementation of such controls and procedures.
- review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
- be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.
- meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
- inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
- review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
- oversee the Corporation's plans to adopt changes to accounting standards and related disclosure obligations.
- in consultation with the Corporate Governance and Nominating Committee, ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting and overseeing a corporate code of ethics for senior financial personnel.
- establish procedures for the receipt, retention and treatment of:
  - complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting, internal accounting controls or auditing matters.
- provide oversight to related party transactions entered into by the Corporation.

B. Independent Auditors

- recommend to the Board for approval by shareholders, the selection, appointment and compensation of the Independent Auditors;

- be directly responsible for oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
- ensure the lead audit partner and the other audit partners (if any) at the Independent Auditor is replaced in compliance with applicable laws.
- be directly responsible for overseeing the work of the Independent Auditors, including the resolution of disagreements between management and the Independent Auditors regarding financial reporting.
- with reference to the procedures outlined separately in “Procedures for Approval of Non-Audit Services” (attached hereto as Appendix ‘A’), pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors.
- monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors.
- review the Independent Auditor’s audit plan, including scope, procedures, timing and staffing of the audit.
- review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor’s interim review reports.
- obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Canadian accounting principles that were discussed with management, their ramifications, and the Independent Auditors’ preferred treatment and material written communications between the Corporation and the Independent Auditors.
- review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
- review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

C. Other Responsibilities

- perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate;
- institute and oversee special investigations, as needed; and
- review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

Enacted April 4, 2011

Amended December 12, 2013, December 18, 2014, and February 14, 2017

## SCHEDULE B – CODE OF BUSINESS CONDUCT AND ETHICS

### Purpose

This Code of Business Conduct and Ethics (the “**Code**”) of Liberty Gold Corp. (“**Liberty Gold**”, or the “**Corporation**”) and its subsidiaries and affiliates is intended to document the principles of conduct and ethics to be followed by the Corporation’s directors, officers employees and where practical, key consultants (being, those who are engaged in an employee-like capacity) (collectively, the “**Personnel**”) of the Corporation. The Code applies to interpersonal and electronic communications. Its purpose is to:

- Reiterate Liberty Gold’s commitment to full compliance by the Corporation, its subsidiaries and affiliates, and its Personnel with Canada’s Corruption of Foreign Public Officials Act (“**CFPOA**”), the U.S. Foreign Corrupt Practices Act (“**FCPA**”), and any local anti-bribery or anti-corruption laws that may be applicable;
- Promote fair dealing with the Corporation’s customers, suppliers, competitors and other third parties;
- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- Promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Corporation files with, or submits to, the relevant Canadian regulatory authorities and in other information disseminated to the public;
- Promote compliance with applicable governmental laws, rules and regulations as well as the rules of the Toronto Stock Exchange;
- Promote the prompt internal reporting to an appropriate person of violations of this Code;
- Promote accountability for adherence to this Code, the CFPOA and the FCPA;
- Provide guidance to Personnel to help them recognize and deal with ethical issues;
- Promote a workplace free from bullying and harassment;
- Provide mechanisms to report unethical or inappropriate conduct; and
- Help foster a culture of honesty and accountability.

This Code is not intended to be a comprehensive guide to all of the Corporation’s policies or to all its Personnel’s responsibilities under applicable laws or regulations. It is intended to provide general parameters to help resolve the ethical and legal issues encountered when the Corporation conducts business.

The Corporation expects all of its Personnel to comply and act in accordance, at all times, with the principles stated above and the more detailed provisions provided hereinafter.

**Violation of the law, the Corporation’s governance policies or this Code by Personnel is grounds for disciplinary action up to and including, but without limitation, immediate termination of employment or directorship.**

### Disclosure

The Corporation is committed to providing full, fair, accurate, timely and understandable disclosure in reports and documents that the Corporation files with, or furnishes to, the Canadian regulatory authorities and in other public communications made by the Corporation. The goal of the Corporation’s Timely Disclosure, Confidentiality and Insider Trading Policy (the “**Disclosure Policy**”) is to raise awareness of the Corporation’s approach to disclosure among the Personnel and those authorized to speak on behalf of the Corporation.

The Disclosure Policy extends to all Personnel and those authorized to speak on the Corporation’s behalf. It covers disclosures in documents filed with, or furnished to, the securities regulators and written statements made in the Corporation’s annual and quarterly reports, news releases, letters to shareholders, presentations by senior management, information contained on the Corporation’s web site and other electronic communications. It extends to oral statements made in meetings and telephone conversations with members of the investment community (which includes analysts, investors, investment dealers, brokers, investment advisers and investment managers), interviews with the media as well as speeches, conference calls and posting to social media websites. As a prerequisite and condition of employment, all Personnel must sign an acknowledgment by which they agree to adhere to such Disclosure Policy, which is generally provided to the new hire prior to or immediately after his or her start date and is available on the Corporation’s network or from the Chief Financial Officer.

## **Basic Obligations**

Under the Corporation's ethical standards, Personnel share certain responsibilities. It is each such person's responsibility to:

- (i) become familiar with, and conduct Corporation business in compliance with, applicable laws, rules and regulations and this Code;
- (ii) treat all Corporation Personnel, customers and business partners in an honest and fair manner;
- (iii) avoid situations where any Personnel's personal interests are, or appear to be, in conflict with the Corporation's interests; and
- (iv) safeguard and properly use the Corporation's proprietary and confidential information, assets and resources, and those of the Corporation's business partners.

## **Compliance with All Laws, Rules and Regulations**

The Corporation is committed to compliance with all applicable laws, rules, and regulations, including laws and regulations applicable to the Corporation's securities and trading in such securities, as well as any rules promulgated by any exchange on which the Corporation's shares are listed or quoted for trading.

## **Fair Dealing**

Personnel are required to deal honestly and fairly with the Corporation's customers, suppliers, competitors and other third parties.

Corruption is the misuse of public power for private profit, or the misuse of entrusted power for private gain. Bribery is the offer, promise, or payment of cash, gifts, or even excessive entertainment to, or an inducement of any kind offered or given to a person in a position of trust to influence that person's views or conduct or to obtain an improper advantage. Bribery and corruption can take many forms, including the provision or acceptance of:

- Cash payments;
- Phony jobs or "consulting" relationships;
- Kickbacks;
- Political contributions;
- Charitable contributions;
- Social benefits; or
- Gifts, travel, hospitality, and reimbursement of expenses.

When dealing with customers and suppliers, the Corporation:

- prohibits offering, paying, promising or authorizing bribes, kickbacks or any other form of loan, reward, advantage of benefit, or other improper payment, direct or indirect, to any representative (or immediate relative) of government, labour union, customer or supplier in order to:
  - obtain a contract, some other commercial benefit or government action;
  - cause a person to act or fail to act in violation of a legal or official duty; or
  - cause a person to abuse or use his or her position to influence any acts or decisions of the foreign state or public international organization for which the official performs duties or functions;
- prohibits Personnel from accepting any bribe, kickback or improper payment from anyone;
- prohibits gifts of more than modest value to or from suppliers or customers;
- limits marketing and client entertainment expenditures to those that are necessary, prudent, job-related and consistent with the Corporation's policies;
- requires clear and precise communication in the Corporation's contracts, its advertising, its literature, and its other public statements and seeks to eliminate misstatements of fact or misleading impressions;
- reflects accurately on all invoices to customers the sale price and terms of sales for goods sold or services rendered; and
- prohibits Personnel from otherwise taking unfair advantage of the Corporation's customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair-dealing practice.

## **Conflicts of Interest**

Personnel should not engage in any activity, practice or act which creates or gives the appearance of a conflict with the best interests of the Corporation or its partners. A conflict of interest occurs when any Personnel places or finds himself or herself in a position where his or her personal or private interests create or give the appearance of a direct or indirect conflict (i) with the best interests of the Corporation; (ii) sufficient to put into question the independence, impartiality and objectivity that he/she is obliged to exercise in the performance of his/her duties and responsibilities as one of the Corporation's Personnel, or (iii) with an adverse effect on such person's motivation or the proper performance of his or her job.

The interests of the Corporation shall always prevail where Personnel are in a situation of conflict of interest or perceived conflict of interest, or where the personal interest of a related party places Personnel in a situation of conflict of interest or perceived conflict of interest.

Examples of such conflicts could include, but are not limited to:

- accepting outside employment with, or accepting personal payments from, any organization which does business with the Corporation or is a competitor of the Corporation;
- competing with the Corporation for the purchase or sale of property, services or other interests or taking personal advantage of an opportunity in which the Corporation has an interest;
- having, or immediate family members having, more than a de minimis financial interest in a firm which does business with the Corporation;
- accepting gifts, gratuities or favours (together, "gifts") from a person, body, enterprise or association engaged in or wishing to engage in transactions with the Corporation, except in either a) the case of gratuities or favours of a trivial or nominal value, or b) in the case of normal course, or customary gifts greater than a nominal value, provided that the intended recipient of such gift discloses the gift to the Corporate Governance and Nominating Committee in advance;
- seeking or accepting any personal loan or services from any entity with which the Corporation does business, except from financial institutions or service providers offering similar loans or services to third parties under similar terms in the ordinary course of their respective businesses;
- accepting any personal loan or guarantee of obligations from the Corporation, except to the extent such arrangements are legally permissible; and
- whether directly or indirectly, having a personal financial interest in a contract or a proposed contract involving the Corporation or a customer, business partner or supplier to be entered into by the Corporation, including significant share ownership, or is likely to obtain, a personal advantage or benefit as a result of a decision made by the Corporation.

Personnel must not place themselves or remain in a position in which such person's private interests conflict with the interests of the Corporation.

If the Corporation determines that any Personnel's outside work interferes with performance or his or her ability to meet the requirements of the Corporation, as they are modified from time to time, such person may be asked to terminate such outside work if he or she wishes to remain employed by the Corporation. To protect the interests of both the Personnel and the Corporation, any activity that involves a potential or apparent conflict of interest may be undertaken only after disclosure to the Corporation by such person and review and approval by management of the Corporation or another appropriate party.

### *Disclosure Requirements:*

Conflicts of interest, or potential conflicts of interest, must be disclosed by Personnel as soon as he or she becomes aware of the existence of a potential conflict (either personal, or having to do with another of the Corporation's Personnel), in accordance with the "Procedures for Receipt of Complaints and Submissions Relating to Ethical Conduct, Bullying, Harassment and Accounting Matters" as appended hereto as Appendix 'A'.

Failure to disclose a known conflict may result in discipline under this policy.

## **Confidentiality Concerning Corporate Affairs**

Personnel must preserve and protect the confidentiality of information entrusted to them by the Corporation or its customers and suppliers and which they come into contact with in their work, except when disclosing information which is expressly approved by an officer of the Corporation with authority to give such approval, including if legally

mandated. Confidential information encompasses proprietary information which is not in the public domain that could be of use to competitors, or that could harm the Corporation, its Personnel, its customers, suppliers or business partners if disclosed.

Personnel must also not use or disclose to the Corporation any proprietary information or trade secrets of any former employer or other person or entity with whom obligations of confidentiality exist. Similarly, this obligation to protect confidential information continues after leaving the Corporation.

### **Accuracy of Corporate Records**

The Corporation is required to record and publicly report all internal and external financial records in compliance with International Financial Reporting Standards (“IFRS”). The books and records of Liberty Gold and each of its subsidiaries and affiliates must correctly record both the amount and a written description of any transaction. Personnel must ensure that there is a reasonable relationship between the substance of a transaction and how it is described in the Corporation’s books and records

Therefore, Personnel are responsible for ensuring the accuracy of all books and records within their control and complying with all Corporation policies and internal controls. All Corporation information must be reported accurately, whether in internal personnel, safety, or other records or in information the Corporation releases to the public or files with, or furnishes to, Canadian regulatory authorities.

### **Financial Reporting and Disclosure Controls**

The Corporation is required to file or furnish periodic and other reports with certain Canadian regulatory authorities and to make certain public communications. The Corporation is required by such regulatory authorities to maintain effective “disclosure controls and procedures” so that financial and non-financial information is reported timely and accurately both to its senior management and in any public filings it makes. Personnel are expected, within the scope of their employment duties, to support the effectiveness of the Corporation’s disclosure controls and procedures.

### **Health and Safety**

The Corporation is committed to making its work environment safe, secure and healthy for its Personnel and others. The Corporation complies with all applicable laws and regulations relating to safety and health in the workplace. The Corporation expects all Personnel to promote a positive working environment for all. Personnel are expected to consult and comply with all Corporation rules regarding workplace conduct and safety including the Corporation’s Health, Safety & Sustainability Policy. Personnel should immediately report any unsafe or hazardous conditions or materials, injuries, and accidents connected with the Corporation’s business and any activity that compromises corporate security to a senior officer of the Corporation. Personnel must not work under the influence of any substances that would impair the safety of themselves and others. All threats or acts of physical violence or intimidation are prohibited.

### **Corporate Social Responsibility and Community Relations Activities**

With the exception of participating on an ancillary basis, or as a host of a community event in which an invitation was broadly extended, Personnel are prohibited from benefiting directly from any Corporate Social Responsibility or Community Relations activities, projects and programs implemented by the Corporation.

Liberty Gold will make every effort to avoid all forms of corruption including the transfer of any kind of benefit, whether directly or indirectly offered, for the purpose of influencing a domestic or foreign public official to misuse his or her power or influence.

Without prior approval by the Corporate Governance and Nominating Committee of the Board of Directors, political donations by the Corporation are prohibited.

The Corporation will generally not fund donation requests for the following:

- Organizations that discriminate based on the basis of race, colour, creed, gender, sexual orientation or national/ethnic origin;
- Organizations dedicated primarily to the advancement of religious or ethnic interests;
- Individuals or organizations for profit;
- Generic requests for funding or capital campaigns;
- Funding primarily for travel or accommodations.

## **Protection and Proper Use of the Corporation's Assets**

All Personnel should protect the Corporation's assets and ensure their efficient use. Liberty Gold's assets must be protected from loss, damage, theft, misuse, and waste. The Corporation's assets include your time at work and work product, as well as Liberty Gold's equipment and vehicles, computers and software, trading and bank accounts, company information and the Corporation's reputation, trademarks and name. Liberty Gold's telephone, email, Internet and other electronic systems are primarily for business purposes. All records received or generated by Personnel in the course of their duties shall be the property of Liberty Gold. Personal communications using these systems should be kept to a minimum.

Personnel should exercise prudence in incurring and approving business expenses, work to minimize such expenses and ensure that such expenses are reasonable and serve the Corporation's business interests.

## **Respect for the Corporation's Personnel**

The Corporation's employment decisions will be based on reasons related to its business, such as job performance, individual skills and talents, and other business or related factors. The Corporate policy requires adherence to all federal, state, provincial or other local employment laws. In addition to any other requirements of applicable laws in a particular jurisdiction, the Corporate policy prohibits discrimination in any aspect of employment based on race, color, religion, sex, national origin, disability or age, within the meaning of applicable laws.

## **Abusive or Harassing Conduct Prohibited**

The Corporation prohibits abusive or harassing conduct by its Personnel towards others, such as unwelcome sexual advances, comments based on ethnicity, religion or race, or other non-business, personal comments or conduct that make others uncomfortable in their employment with / engagement by the Corporation. The Corporation encourages and expects all Personnel to report harassment or other inappropriate conduct as soon as it occurs.

## **Bullying and Harassment**

The Corporation is committed to a work environment that is free from bullying and harassment and supportive of the productivity, dignity and self-esteem of every employee. The Corporation will not tolerate and is dedicated to preventing, where possible, or otherwise minimizing, bullying and harassment. Bullying and harassment:

- includes any inappropriate conduct or comment by a person towards a worker that the person knew or reasonably ought to have known would cause that worker to be humiliated or intimidated, or any unwelcome or objectionable conduct or comment which would be considered discriminatory under the BC Human Rights Code, but
- excludes any reasonable action taken by an employer or supervisor relating to the management and direction of workers or the place of employment.

Examples of conduct or comments that might constitute bullying and harassment include verbal aggression or insults, calling someone derogatory names, harmful hazing or initiation practices, vandalizing personal belongings, and spreading malicious rumours.

Examples of conduct or comments that might constitute sexual harassment include unwanted physical contact such as touching, patting, pinching and hugging; sexual advances with actual or implied work-related consequences; and sexual jokes, innuendos or horseplay.

The above definitions and examples are intended to be general guidance and not exhaustive and the types of behavior described are by way of illustration only.

Personnel must:

- not engage in the bullying and harassment of other Personnel.
- report if bullying and harassment is observed or experienced.

Any Personnel found to have bullied or harassed another person may be subject to discipline, up to and including termination of employment or other business relationship. Because of the seriousness of such allegations, malicious unfounded complaints may also be subject to discipline, up to and including termination of employment or other business relationship.

## **Privacy**



The Corporation, and companies and individuals authorized by the Corporation, collect and maintain personal information that relates to its Personnel, including compensation, medical and benefits information. The Corporation follows procedures to protect information wherever it is stored or processed, and access to the personal information of its Personnel is restricted. Personal information will only be released to outside parties in accordance with the Corporation's policies and applicable legal requirements. Personnel who have access to personal information must ensure that personal information is not disclosed in violation of the Corporation's policies or practices.

### **Duty to Report Suspected Code Violations**

The Corporation expects its Personnel to take all responsible steps to prevent a violation of this Code, to identify and raise potential issues before they lead to problems, and to seek additional guidance when necessary.

If any Personnel observe or become aware of an actual or potential violation of this Code or of any applicable law or regulation, whether committed by the Corporation's Personnel or by others associated with the Corporation, it is their responsibility to promptly report the circumstances as outlined herein and to cooperate with any investigation by the Corporation. This Code is designed to provide an atmosphere of open communication for compliance issues and to ensure that Personnel acting in good faith have the means to report actual or potential violations.

For assistance with compliance matters and to report actual or potential compliance infractions, Personnel should refer to the procedures outlined separately in "*Procedures for Receipt of Complaints and Submissions Relating to Ethical Conduct and Accounting Matters*" (attached hereto as Appendix 'A').

### **Relationship to Other Policies**

All Corporation policies apply to Personnel. If such person is a director, in addition to this Code, the Mandate of the Board and the Directors' Code of Ethics will guide him or her procedurally in his or her position as a director. If such person is a Senior Financial Officer, in addition to this Code, the Code of Ethics for Senior Financial Officers will guide him or her procedurally in his or her position as a senior financial officer.

In addition, if any such person is a member of a committee of the Board, the applicable committee charter(s) should guide his or her conduct in carrying out his or her duties on such committee. In the event of any conflict between such policies and this Code, the terms of this Code shall govern.

### **Waivers and Amendments**

Only the Board may waive application of or amend any provision of this Code. A request for such a waiver should be submitted in writing to the Board, Attention: Chair of the Board, for the full Board's consideration. The Corporation will promptly disclose to the appropriate regulatory authorities in accordance with applicable Canadian securities laws and regulations and applicable exchange rules upon which the Corporation's securities are listed or quoted for trading all substantive amendments to the Code as well as all waivers of the Code granted to directors or officers by the Board.

### **No Rights Created**

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of the Corporation's business. It is not intended to and does not, in any way, constitute an employment contract or an assurance of continued employment or create any rights in any employee, director, client, supplier, competitor, shareholder or any other person or entity.

Enacted April 4, 2011

Revised December 12, 2013 and December 18, 2014

## Schedule B - Appendix A

### Procedures for Receipt of Complaints and Submissions Relating to Ethical Conduct, Bullying, Harassment and Accounting Matters

Liberty Gold Corp. (the “**Corporation**”) expects directors, officers, employees and key consultants (being, those who are engaged in an employee-like capacity) (collectively, “**Personnel**”) of the Corporation to take all responsible steps to prevent violations of its Code of Business Conduct and Ethics (the “**Code**”), to identify and raise potential issues before they lead to problems, and to seek additional guidance when necessary.

These Procedures are designed to provide an atmosphere of open communication for compliance issues and to ensure that Personnel acting in good faith have the means to report actual or potential violations.

#### Reporting Responsibility

If any Personnel observe or become aware of an actual or potential violation of the Code or of any applicable law or regulation (including securities laws and regulations), whether committed by Personnel or by others associated with the Corporation (for example, external parties with whom Liberty Gold has contracted), it is his/her responsibility to promptly report the circumstances as outlined herein and to cooperate with any investigation by the Corporation.

It is also the responsibility of Personnel who have concerns regarding questionable accounting, internal financial controls or auditing matters to report such concerns in accordance with the procedures outlined herein.

Examples of issues to be reported are set out in Schedule “A” to these Procedures.

#### No Retaliation and Acting in Good Faith

The Corporation prohibits Personnel from retaliating or taking adverse action against anyone for raising suspected conduct violations or helping to resolve a conduct concern. Any individual who has been found to have engaged in retaliation against any of the Corporation’s Personnel for raising, in good faith, a conduct concern or for participating in the investigation of such a concern may be subject to discipline, up to and including termination of employment or other business relationship. If any individual believes that he or she has been subjected to such retaliation, that person is encouraged to report the situation as soon as possible to one of the people identified in the “Reporting Procedures” section below.

Anyone filing a complaint concerning a violation or suspected violation of the Code, or reporting concerns relating to accounting and auditing matters must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense and may be subject to legal and civil action in addition to employment review.

#### Reporting Procedures

For assistance with compliance matters or clarification as to the manner in which to report actual or potential compliance infractions, Personnel should contact the Chief Financial Officer of the Corporation.

##### General compliance matters

Personnel may submit reports of alleged violations of this Code in writing on a confidential basis to the Chair of the Corporation’s Corporate Governance and Nominating Committee (the “**Governance Committee**”) in an envelope labeled with a legend such as “*To be opened by the Corporate Governance and Nominating Committee only, being submitted pursuant to the Code of Business Conduct and Ethics.*” Personnel may submit such confidential envelopes directly or via any officer of the Corporation, who shall pass it on forthwith to the Chair of the Governance Committee

##### Compliance related to financial and accounting matters

If such perceived violations of the Code involve matters related to accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters, Personnel may submit reports of such violations to the individual designated from time to time by the Corporation’s Audit Committee (the “**Audit Committee**”) to whom complaints and submissions can be made regarding such matters (the “**Complaints Officer**”) or, if not designated at such time, the Chair of the Audit Committee. Personnel may submit such confidential envelopes directly or via any officer of the Corporation, who shall pass it on forthwith to the Complaints Officer (or Chair of the Audit Committee).

Officers and directors who become aware of any violation of the Code shall promptly report them to i) the Chair of the Governance Committee openly or confidentially (in the manner described above) or ii) one of the Complaints Officer or the Chair of the Audit Committee, in those instances described above.

In reporting any actual or potential violation of the Code, an individual should provide, to the extent possible, such relevant documents to support the allegations being made, such as e-mails, handwritten notes, photographs, or physical evidence.

Any report of actual or potential violation of the Code should include, at a minimum the following information:

- the names of the parties involved.
- any witnesses to the incident(s).
- the location, date, and time of the incident(s).
- details about the incident (behaviour and/or words used).
- any additional details that would help with an investigation.

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. If not made anonymously, the Chair of the Governance Committee or Complaints Officer (as applicable) will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days.

### **Complaints Officer**

By e-mail that is disseminated to all Personnel at least annually, management of the Corporation shall advise employees of the name of the Complaints Officer for the ensuing period.

The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Audit Committee or the Chair of the Audit Committee.

The Corporation's Compliance Officer can be contacted as outlined below:

Tel: 1-604-632-4677

Fax: 1-604-632-4678

Mail: Suite 1900 – 1055 West Hastings Street, Vancouver, BC V6E 2E9, Canada

E-mail: stetzlaff@oxygencapitalcorp.com

The Complaints Officer shall be informed that he or she must report to the Audit Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis at the quarterly meeting of the Audit Committee called to approve interim and annual financial statements of the Corporation.

### **Handling of Reported Violations**

Upon receipt of a report from the Chair of the Governance Committee, or the Complaints Officer, the Governance Committee or Audit Committee (as applicable) shall discuss the report and take such steps as that committee of the Corporation's Board of Directors (the "**Board**") may deem appropriate. At a minimum the Governance Committee or the Audit Committee, as applicable, should initiate an investigation of the alleged violation(s). Additional steps could include, if appropriate:

- Advising the alleged subject of the report; and
- Considering a review and revisions to workplace procedures to prevent any future violations of the Code.

Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

The Complaints Officer, Chair of the Audit Committee or Chair of the Governance Committee (as applicable) shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

### **Investigation of Reported Violations**

Following the receipt of any complaints submitted hereunder, the Governance Committee or the Audit Committee, as applicable, will investigate each matter so reported and recommend corrective disciplinary actions to the Board, if appropriate, up to and including termination of employment.

At a minimum, investigations will:

- be undertaken promptly and diligently, and be as thorough as necessary, given the circumstances.
- be fair and impartial, providing both the complainant and respondent equal treatment in evaluating the allegations.
- be sensitive to the interests of all parties involved and maintain confidentiality.
- be focused on finding facts and evidence, including interviews of the complainant, respondent, and any witnesses.
- incorporate, where appropriate, any need or request from the complainant or respondent for assistance during the investigation process.

Enacted June 13, 2011  
Revised December 12, 2013

## **Schedule B - Appendix A1**

### **Examples of Matters to be Reported**

- Fraud, Theft
- Accounting irregularities, Financial Statement Disclosure issues
- Non-compliance with Internal Accounting Controls
- Workplace violence
- Substance abuse
- Discrimination, Bullying and Harassment
- Falsification of company Records
- Conflicts of Interest
- Release of proprietary information
- Safety/Security violations
- Malicious property damage
- Violations of securities laws (including insider trading)
- Breaches of other applicable laws (environmental, employment, health and safety laws)
- Ethics violations

**Receipt and Acknowledgement**

The undersigned hereby acknowledges having received and read a copy of the “Liberty Gold Corp. – Code of Business Conduct and Ethics” and agrees to adhere to its terms and its intent at all times.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_