

## Extractive Sector Transparency Measures Act - Annual Report

<b>Reporting Entity Name</b>	Liberty Gold Corp.					
<b>Reporting Year</b>	<b>From</b>	1/1/2017	<b>To:</b>	12/31/2017	<b>Date submitted</b>	5/14/2018
<b>Reporting Entity ESTMA Identification Number</b>	E474459		<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report			
<b>Other Subsidiaries Included</b> (optional field)	Pilot Gold Inc. (USA), Pilot Goldstrike Inc., Kinsley Gold LLC, Orta Truva Madencilik Şanayi ve Ticaret A.Ş.					
<b>Not Consolidated</b>						
<b>Not Substituted</b>						
<b>Attestation by Reporting Entity</b>						
<i>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.</i>						
<b>Full Name of Director or Officer of Reporting Entity</b>	Joanna Bailey				<b>Date</b>	5/14/2018
<b>Position Title</b>	Chief Financial Officer and Corporate Secretary					

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<b>Reporting Year</b>	<b>From:</b>	1/1/2017	<b>To:</b>	12/31/2017	<b>Currency of the Report</b>	USD
<b>Reporting Entity Name</b>	Liberty Gold Corp.					
<b>Reporting Entity ESTMA Identification Number</b>	E474459					
<b>Subsidiary Reporting Entities (if necessary)</b>						

**Payments by Payee**

Country	Payee Name <sup>1</sup>	Departments, Agency, etc... within Payee that Received Payments <sup>2</sup>	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes <sup>3,4</sup>
United States of America	Federal Government of the United States	N/A	\$0.00	\$0.00	\$420,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$420,000.00	\$420,000 cash was paid to the Bureau of Land Management. Amounts are paid and reported in US dollars.
Turkey	Federal Government of the Republic of Turkey	N/A	\$0.00	\$0.00	\$510,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$510,000.00	\$430,000 cash was paid to the General Directorate of Forestry and \$80,000 was paid to the General Directorate of Mineral Research and Exploration. Reported in US dollars, using the exchange rate prevailing at the date of the payments. The weighted average Turkish Lira ("TL") to US dollar exchange rate at the date of the payments to the General Directorate of Forestry and the General Directorate of Mineral Research and Exploration is 1TL = \$0.272 and \$0.261, respectively.

<b>Additional Notes:</b>	
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<b>Reporting Year</b>	<b>From:</b> 1/1/2017	<b>To:</b> 12/31/2017	
<b>Reporting Entity Name</b>	Liberty Gold Corp.		<b>Currency of the Report</b> USD
<b>Reporting Entity ESTMA Identification Number</b>	E474459		
<b>Subsidiary Reporting Entities (if necessary)</b>			

### Payments by Project

Country	Project Name <sup>1</sup>	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes <sup>23</sup>
United States of America	Anchor	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$10,000.00	
United States of America	Antelope	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$10,000.00	
United States of America	Black Pine	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$60,000.00	
United States of America	Brik	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$20,000.00	
United States of America	Easter	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$10,000.00	
United States of America	Goldstrike	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$150,000.00	
United States of America	Griffon	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$10,000.00	
United States of America	Kinsley	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$80,000.00	
United States of America	Stateline	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$10,000.00	
United States of America	Baxter Springs	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$20,000.00	
United States of America	Viper	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$20,000.00	
United States of America	Drum	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$10,000.00	
United States of America	Sandy	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$10,000.00	
Turkey	TV Tower	\$ -	\$ -	\$ 510,000	\$ -	\$ -	\$ -	\$ -	\$510,000.00	Reported in US dollars, using the exchange rate prevailing at the date of the payments. The weighted average Turkish Lira ("TL") to US dollar exchange rate at the date of the payments is 1TL =0.270.

**Additional Notes<sup>3</sup>:**

## **INTRODUCTION**

Liberty Gold Inc. and its subsidiaries (collectively the “Company”) has prepared the following audited consolidated report (“the Report”) of payments made to government entities for the year ended December 31, 2017 as required by the Extractive Sector Transparency Measures Act S.C. 2014, c.39, s.376 (“ESTMA” or “the Act”).

## **BASIS OF PREPARATION**

The report is presented in US Dollars (USD) and has been prepared in accordance with the requirements of the Act and the Natural Resources Canada (“NRCan”) Technical Reporting Specifications. The NRCan Technical Reporting Specifications require disclosure of the exchange rate and primary method used for currency conversions.

The following is a summary of significant policies and judgments that the Company has made for the purpose of preparing the report.

### **Significant policies**

#### **Cash payments**

Payments are reported on a cash basis and have been reported in the period in which the payment was made. Where applicable, the weighted average exchange rate for each payment has been disclosed in the notes section of the ESTMA Annual Report.

Payments to the “same payee” that meet or exceed \$100,000 Canadian Dollars in one category of payment are disclosed. Payments are rounded to the nearest \$10,000 USD.

#### **Payee**

For the purposes of the Act, a payee is:

- a. Any government in Canada or in a foreign state;
- b. A body that is established by two or more governments; or
- c. Any trust, board, commission, corporation or body or other authority that is established to exercise or perform, or that exercises or performs, a power, duty or function of a government for a government referred to in paragraph (a) above or a body referred to in paragraph (b) above.

Payees include governments at any level, including national, regional, state, provincial, local, or municipal levels. Payees may include non-governmental entities if the benefit bestowed would have otherwise been provided by the government. Payees also include any government-owned or government-controlled entities that exercise or perform a power, duty or function of government.

Aboriginal and indigenous groups and organizations may also be regarded as a payee under the Act. Currently, the Corporation does not make payments to such groups.

The individual department, agency or other body of the payee that received the payment has been disclosed in the notes section of the ESTMA Annual Report.

## **Reportable Payments**

A reportable payment for ESTMA purposes is one that:

- a. Is made to the same payee;
- b. Is made in relation to the commercial development of oil, gas or minerals; and
- c. Totals, as a single or multiple payments, \$75,500 US dollars (\$100,000 Canadian Dollars translated at the average exchange rate for the year 2017) or more, in the year in one of the following prescribed seven payment categories.

### *Taxes*

This category includes taxes paid by the Company on its income, profits or production in relation to the commercial development of mineral resources. Consumption taxes, personal income taxes and taxes withheld by others on behalf of the Company are excluded as per the Act. For the year ended December 31, 2017, there were no reportable tax payments to a payee.

### *Royalties*

Royalties are payments for the rights to extract resources, typically at a set percentage of revenue. For the year ended December 31, 2017, there were no reportable royalty payments to a payee.

### *Fees*

This category may include rental fees, entry fees and regulatory charges as well as fees or other consideration for licenses, permits or concessions. Amounts paid in ordinary course commercial transactions in exchange for services provided by a payee are excluded.

### *Production entitlements*

A payee's share of mineral production under a production sharing agreement or similar contractual or legislated arrangement is reported under this category. For the year ended December 31, 2017, there were no reportable production entitlement payments to a payee.

### *Bonuses*

Signing, discovery, production and any other type of bonuses paid to a payee in relation to the commercial development of mineral resources are reported under this category. For the year ended December 31, 2017, there were no reportable bonus payments to a payee.

### *Dividends*

Dividends are dividend payments, other than dividends paid to a payee as an ordinary shareholder of the Company on shares that were acquired by the payee on the same terms as were available at the time of acquisition to other shareholders, which are not in lieu of any other reportable payment. For the year ended December 31, 2017, there were no reportable dividend payments to a payee.

### *Infrastructure improvement payments*

This payment category consists of payments for the construction of infrastructure that do not relate primarily to the operational purposes of the Company. For the year ended December 31, 2017, there were no reportable infrastructure improvement payments to a payee.

## **Significant Estimates and Judgements**

The preparation of the Report in accordance with the Act requires the use of judgements, estimates and assumptions.

### **Payments by Project Level**

Payments have been reported at the project level as required by the Act. A “project” means the operational activities are governed by a single contract, license, lease, concession or similar legal agreement that forms the basis for a payment liability with a payee. If multiple such agreements are substantially interconnected, they would be considered a single project.

“Substantially interconnected” means forming a set of operationally and geographically integrated contracts, licenses, leases or concessions or related agreements with substantially similar terms that are signed with a government and give rise to payment liabilities.

The Company has determined that the operational activities governed by surface or mineral lease contracts related to key operational areas are substantially interconnected and has reported payments related to each such area as a single project. The Company has considered geographical location and common infrastructure as two key indicators for making this determination.

### **Commercial Development**

The Act defines ‘commercial development of oil, gas or minerals’ as:

- a) The exploration or extraction of oil, gas or minerals;
- b) The acquisition or holding of a permit, licence, lease or any other authorization to carry out any of the activities
- c) Any other prescribed activities in relation to oil, gas or minerals.

Payments made by the Company to payees relating to the commercial development of minerals (“commercial development”) are disclosed in this Report. The Report excludes payments that are not related to the Company’s commercial development activities.

### **Refunds and credits**

Cash refunds received from payees have not been reported. Amounts paid to payees have been reported at the amount paid by the Company, including instances where an applicable credit reduces the amount payable, to reflect the net cash payment to the payee.

### **Payments made in situations of joint control**

The Company reports all cash payments that it pays directly to a payee, and includes all amounts paid as an operator as part of a joint arrangement. This is the case even where the Company as the operator has been proportionally and directly reimbursed by its non-operating partners.