



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

**Management's Discussion and Analysis**  
**For the nine months ended September 30, 2017**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Nine months ended September 30, 2017

This Management's Discussion and Analysis ("MD&A"), of Liberty Gold Corp., formerly Pilot Gold Inc. ("Liberty Gold", the "Company", or "we", or "our", or "us"), is dated November 9, 2017, and provides an analysis of our unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2017.

The following should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2017 of Liberty Gold., the related notes thereto (together, the "Interim Financial Statements"), and other corporate filings, including our Annual Information Form for the year ended December 31, 2016, dated March 28, 2017 (the "AIF"), available under our company profile on SEDAR at [www.sedar.com](http://www.sedar.com). Our reporting currency is the United States dollar ("\$", or "USD"); dollar figures in this MD&A are expressed in USD unless otherwise stated. Canadian dollars herein are expressed as "C\$"<sup>1</sup>.

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

## Highlights through and subsequent to September 30, 2017:

### Goldstrike<sup>2</sup>

Throughout the Historic Mine Trend, the exploration program is focused on building continuity between a number of target areas and linking them together over large areas into continuous zones of mineralization, namely the Main, Dip Slope, Peg Leg and Western zones. The Mineral Mountain target in the northwest part of the Property was also tested. Highlights include:

- Mineral Mountain:
  - 2.03 grams per tonne gold (g/t Au) over 6.1 metres (m) and 0.74 g/t Au over 13.7 m in PGS275
  - 0.94 g/t Au over 15.2 m and 0.83 g/t Au over 6.1 m in PGS282
  - 1.01 g/t Au over 12.2 m and 0.75 g/t Au over 9.1 m and 0.31 g/t Au over 9.1 m in PGS286
  - 1.02 g/t Au over 13.7 m and 0.74 g/t Au over 10.7 m in PGS253
  - 3.48 g/t Au over 4.6 m within 1.16 g/t Au over 25.9 m in PGS255
  - 3.14 g/t Au over 32.0 m within 1.78 g/t Au over 67.1 m in PGS277
- Dip Slope Zone:
  - 1.93 g/t Au over 10.7 m within 0.67 g/t Au over 53.3 m in PGS335
  - 1.89 g/t Au over 13.7 m within 1.22 g/t Au over 32.0 m in PGS362
  - 2.03 g/t Au over 3.0 m within 0.65 g/t Au over 38.1 m in PGS365
- Main Zone:
  - 0.64 g/t Au over 15.2 m and 1.96 g/t Au over 9.1 m within 1.11 g/t over 19.8 m in PGS290
  - 2.22 g/t Au over 15.2 m within 1.05 g/t Au over 48.8 m in PGS306
  - 0.83 g/t Au over 21.3 m in PGS318
- Peg Leg Zone:
  - 0.64 g/t Au over 33.5 m and 0.77 g/t Au over 4.6 m and 0.96 g/t Au over 1.5 m in PGS338
  - 0.56 g/t Au over 7.6 m and 1.71 g/t Au over 3.0 m within 0.77 g/t Au over 22.9 m in PGS356
  - 2.32 g/t Au over 3.0 m within 0.82 g/t Au over 13.7 m in PGS363
- Western Zone:
  - 1.66 g/t Au over 9.1 m within 0.92 g/t Au over 19.8 m in PGS364
  - 1.72 g/t Au over 7.6 m within 0.70 g/t Au over 42.7 m in PGS324
  - 1.97 g/t Au over 6.1 m within 0.65 g/t Au over 36.6 m in PGS291
  - 2.09 g/t Au over 6.1 m within 0.69 g/t Au over 30.5 m 1.79 g/t Au over 10.7 m within 0.74 g/t Au over 41.1 m in PGS281

<sup>1</sup> As at September 30, 2017, the value of C\$1.00 was approximately \$0.80; the daily average OANDA Rate™

<sup>2</sup> See press releases of July 31, 2017, August 21, 2017, August 30, 2017, September 13, 2017 and October 16, 2017

## OUTLOOK

Our exploration activities and budget in 2017 continue to focus primarily on the Goldstrike project in Utah, with small programs on the Black Pine and Kinsley projects, also located in the Great Basin within Idaho, and Nevada respectively. Goldstrike, Kinsley and Black Pine all feature Carlin-style, shallow, oxide gold targets with district scale potential. We are continuing to rapidly advance exploration at Goldstrike with the aim of building to a resource estimate, which once completed, we intend to advance through to a Preliminary Economic Assessment decision.

The Company has a working capital balance of approximately \$3.08 million (as at the date of this MD&A) providing the capital necessary to continue advancing discoveries, building value and examining options for monetising our advanced project interests in Turkey. Liberty Gold's share of expenditures for the nine months ended September 30, 2017, as compared to our share of budgeted cash exploration and development expenditures on our core property interests are summarized (in 000s) as:

Project	Liberty Gold ownership	Minerals	Nine months ended September 30, 2017		Budgeted expenditures for 2017 <sup>1</sup>
			Actual cash expenditures	Budgeted expenditures <sup>1</sup>	
Goldstrike	100%	gold	\$ 4,718	\$ 5,325	\$ 7,061
Black Pine	100%	gold	\$ 201	\$ 420	\$ 460
Kinsley	79%	gold	\$ 512	\$ 365	\$ 373
<b>Total</b>			\$ 5,431	\$ 6,110	\$ 7,894

<sup>1</sup> In July 2017, an amended budget was approved by the Company's Board of Directors (the "Board"), as a reflection of continued successful drilling at Goldstrike to date. Amounts shown as budgeted expenditures reflect the amendment.

During the nine months ended September 30, 2017, we incurred approximately \$8.55 million in cash administration and exploration and expenditures. Our amended approved 2017 total annual budget is \$11.98 million.

### *Goldstrike*

The initial 2017 exploration program and budget at Goldstrike was \$5.99 million and was increased to \$7.06 million as a reflection of continued successful drill results in the first half of the year. The 2017 reverse circulation ("RC") drilling program began on February 1, 2017 and will continue through early December 2017. As of October 31, 2017, a total of 42,165 m in 262 holes have been drilled out of a total planned 50,000 m in 2017. Areas of focus include the Main, Peg Leg, Dip Slope and Western Zones. Within the initial 4 km<sup>2</sup> area of focus, there are 7 historical mined pits. The receipt of the Plan of Operations ("PoO") in June, 2017 allowed the Company to expand drilling to test high-priority targets across the 74.5 km<sup>2</sup> property including the Padre Pit area in the northeastern part of the Historic Mine Trend and Mineral Mountain, to the west of the Main Zone.

The Company plans to amend the PoO to include additional target areas, reflecting a better understanding of the distribution and controls on mineralization gained during the 16 months since the original Plan of Operations was submitted in early 2016. A first-time mineral resource estimate in a revised technical report is expected in Q1 2018, after which, the Company intends to advance the property through to a Preliminary Economic Assessment decision.

### *Black Pine*

Consistent with our plan to enhance our asset portfolio, on June 14, 2016 we acquired the Black Pine property, a past-producing, Carlin-style, oxide gold mine located in southeastern Idaho. Surface oxide gold mineralization at Black Pine has been identified over a 12 km<sup>2</sup> area. The property database contains over 1,866 historic drill holes, including a large percentage of holes (42%), with unmined intervals of oxide gold mineralization greater than 0.30 g/t Au. Data compilation and surface geological activities carried out during the year, have enabled us to plan a 17 hole, 2600 m validation drill program that began on November 9, 2017. In order to permit drilling over a wider area that our current PoO allows access to, including a number of undrilled targets, a new PoO was submitted in July 2017. Approval of the new PoO is anticipated in Q3 2018. The 2017 budget for Black Pine is \$0.46 million.

### *Kinsley*

At Kinsley, we continue to believe the initial mineral resource estimate released in December 2015 represents only the beginning of understanding the greater project potential. The resource estimate highlighted high grade mineralization in the Western Flank deposit northwest of the historic mine in a newly-tested

portion of the stratigraphy. In July 2017, the Company reported results of a 1200 m RC drill program focusing along the Western Flank's eastern extension and in an area southeast of the historic Main Pit. Additional drilling is recommended in the Western Flank east extension, to follow up on encouraging assay results, as well as a test of 7 other targets developed from surface mapping, geochemical sampling, geophysical surveys and historic drilling. The Company's share of budgeted expenditures at Kinsley for the 2017 program is \$0.37 million.

## **EXPLORATION AND DEVELOPMENT PROJECTS – OVERALL PERFORMANCE**

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

### ***Goldstrike (100% owner and operator)***

Goldstrike was acquired in August 2014, and is the flagship exploration project for the Company. Goldstrike is a Carlin-style, sediment-hosted gold system located in Washington County, southwest Utah (50 km northwest of St. George), with a stratigraphic and structural setting and gold mineralization similar to other sediment-hosted gold systems in the Great Basin of Nevada and Utah. Goldstrike is host to a past-producing mine with an extensive historical exploration and mining database, including a large number of shallow drill holes with unmined oxide gold intercepts, and numerous untested gold targets. The property totals 7,630 ha in size and currently includes 903 owned and leased federal lode claims on Bureau of Land Management land ("BLM") land, 43 leased patented claims and parcels, and two Utah State leased parcels.

The 2017 drill program commenced on February 1, 2017 with two drills, and has been operating with three drills on site for four months. The program encompasses infill drilling for resource estimation in the established zones and, with receipt of the Plan of Operations in June 2017, was expanded to include tests of areas in the western portion of the Historic Mine Trend (Western Zone) and a target in the extreme northwest corner of the property (Mineral Mountain, 6 km west of the Main Zone). Gold mineralization has been encountered in all areas tested to date.

The results from the metallurgical testing of oxide material were released in April 2017 and provide support for a simple heap leach run of mine, mining scenario. Twenty column leach tests produced a weighted average of 85.9% gold extraction. The gold recoveries from 19 of these 20 column tests were rapid and >80% complete within 10 days, with final column leach recoveries ranging from 65% to 97%. Importantly, gold extraction has proven relatively insensitive to particle size, and can be projected out to 150 millimetres (mm) (6 inch) particle size, simulating run of mine conditions, without significant loss of gold recovery.

From commencement of drilling in late 2015 through September 30, 2017, the Company has reported assay results from 398 RC drill holes and 10 core drill holes, with assays pending from an additional 46 holes drilled through October 31, 2017.

For the nine months ended September 30, 2017, expenditures, including non-cash items, at Goldstrike were \$4.89 million (year ended December 31, 2016: \$4.59 million), including: drilling and assaying (\$2.97 million), salaries (\$0.79 million), and analyses and surveys (\$0.44million).

### ***Black Pine***

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

including a large number of drill holes with gold intercepts. Data compilation and verification has been largely completed, with a preliminary 3D model constructed. A 2600 m validation drill program commenced on November 9, 2017. The Company submitted a new PoO in July, 2017 in order to facilitate drilling over virtually the entire surface footprint of alteration and mineralization. Approval of the new PoO is still expected in Q3 2018.

In the nine months ended September 30, 2017, expenditures at Black Pine totalled approximately \$0.20 million.

***Kinsley (79.1% owner and operator)***

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

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

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

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

In the nine months ended September 30, 2017 expenditures at Kinsley totalled approximately \$0.51 million (year ended December 31, 2016, \$0.69 million), including Intor's 20.9% share (recognized in the Interim Financial Statements as a component of Non-Controlling Interest).

***TV Tower (60% owner and operator)***

The 9,065 hectare TV Tower gold-silver-copper property is located in northwestern Turkey. Our interest in TV Tower is held through a 60% shareholding in Orta Truva Madencilik Sanayi ve Ticaret Anonim Şirketi ("**Orta Truva**"), the legal entity that holds title to the licenses that comprise the property. The remaining 40% is held by Teck Madencilik Sanayi Ticaret A.Ş. ("**TMST**"), a subsidiary of Teck Resources Limited ("**Teck**").

To date, we have identified a contiguous area greater than 50km<sup>2</sup> of epithermal and porphyry-related alteration across this gold-silver-copper district, including a large silver-gold resource at the project's KCD deposit and three closely-situated copper-gold porphyries. Approved drilling permits were received in December 2016, providing the Company with the ability to drill test several high-conviction targets, and to carry out resource definition drilling on previously identified and drilled targets on the property. Further information can be found in our AIF.

The program and budget for 2017 is \$1.45 million (our share: \$0.87 million), and includes field exploration activities, permitting and tenure management costs, and community and social relations activities. Our share of expenditures for the nine months ended September 30, 2017 totalled \$0.42 million (year ended December 31, 2016: \$0.55 million).

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

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

A revised preliminary economic assessment (the "**Revised Halilağa PEA**") was released in January 2015. Within the preliminary parameters of a PEA, the Revised Halilağa PEA illustrates a robust, low strip, technically simple and scalable open-pit mine, utilizing conventional milling and flotation methods. The project

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

For the nine months ended September 30, 2017, our share of expenditures incurred at Halilağa was \$0.04 million (year ended December 31, 2016: \$0.05 million). Expenditures reflect costs associated with permitting and tenure costs, ongoing community and social relations activities, certain field and desktop analyses and legal costs relating to the matter described in this MD&A.

### **NAME CHANGE**

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

### **CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS**

Management is responsible for the financial statements referred to in this MD&A, and provides officers' disclosure certifications filed with the Canadian provincial securities commissions. The Audit Committee of the Company's Board of Directors (the "**Board**") approved the Interim Financial Statements and MD&A.

The Interim Financial Statements have been prepared in compliance with IAS 34, Interim Financial Reporting, and should be read in conjunction with Liberty Gold's audited consolidated financial statements for the year ended December 31, 2016 (the "**Annual Financial Statements**"), which have been prepared using accounting policies in compliance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board, taking into account certain exceptions as detailed under the section '*Change in accounting policy and restatement of comparatives*', for which comparative information has been restated.

Details of new accounting standards, effective for reporting periods beginning January 1, 2018 and January 1, 2019, are found in Note 5 of the Annual Financial Statements. Preliminary internal discussions have begun in order to evaluate the consequences of the new pronouncements, but the full impact has yet to be assessed.

#### *Change in accounting policy and restatement of comparatives*

For the nine months ended September 30, 2017, we have followed the significant accounting policies as presented in Note 5 of the Annual Financial Statements, with the exception of our accounting policy for exploration properties and deferred exploration expenditures; which we have elected to change, consistent with IFRS 6 – Exploration for and Evaluation of Mineral Resources and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, in order to enhance the relevance to the decision making needs of users of our financial statements and to provide comparability with our peers. In prior periods, the Company's policy was to defer exploration expenditures until such time as the properties are put into commercial production, sold or become impaired. The Company has elected to change this accounting policy to expense exploration expenditures as incurred, effective with the presentation of the March 31, 2017 Interim Financial Statements, on a retrospective basis.

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

At January 1, 2016:	As previously reported	Effect of change of accounting policy	As currently reported
	\$	\$	\$
Exploration and evaluation assets	76,647,172	(53,531,801)	23,115,371
Investment in Associates	5,220,727	(3,803,427)	1,417,300
Deferred tax liabilities	(474,823)	474,823	-
Net decrease in shareholders' equity		(43,840,755)	
Net decrease in non-controlling interest		(13,019,650)	

  

At December 31, 2016:	As previously reported	Effect of change of accounting policy	As currently reported
	\$	\$	\$
Exploration and evaluation assets	83,677,276	(59,658,037)	24,019,239
Investment in Associates	5,421,177	(4,007,490)	1,413,687
Deferred tax liabilities	(1,157,116)	657,106	(500,010)
Net decrease in shareholders' equity		(49,901,914)	
Net decrease in non-controlling interest		(13,106,507)	

For the three and nine months ended September 30, 2016, the following adjustments were recorded to the condensed interim consolidated statement of loss:

Three months ended September 30, 2016:	As previously reported	Effect of change of accounting policy	As currently reported
	\$	\$	\$
Exploration and evaluation expenditures	68,754	1,470,536	1,539,290
Loss (gain) from associates	(737)	21,885	21,148
Deferred tax expense (recovery)	148,270	(148,270)	-
Net increase in overall loss attributable to:			
Shareholders		1,193,148	
Non-controlling interests		38,695	
		1,231,843	
Exchange differences on translations	(98,403)	36,723	(61,680)
Net increase in total loss and comprehensive loss attributable to:			
Shareholders		1,156,427	
Non-controlling interests		38,695	
		1,195,120	
Basic and diluted loss per share	\$0.01	\$0.01	\$0.02

Nine months ended September 30, 2016:		Effect of change of accounting policy	
	\$	\$	\$
Exploration and evaluation expenditures	277,322	4,307,477	4,584,799
Loss (gain) from associates	(1,079)	77,197	76,118
Deferred tax expense (recovery)	101,093	(101,093)	-
Net increase in overall loss attributable to:			
Shareholders		3,833,520	
Non-controlling interests		337,753	
		4,171,273	
Exchange differences on translations	717,610	(228,801)	488,809
Net increase in total loss and comprehensive loss attributable to:			
Shareholders		4,062,321	
Non-controlling interests		337,753	
		4,400,074	
Basic and diluted loss per share	\$0.03	\$0.03	\$0.06

As at September 30, 2017, the change in accounting policy had the following impact on the condensed interim consolidated statement of financial position:

At September 30, 2017:	<b>Under previous accounting policy</b>	<b>Effect of change of accounting policy</b>	<b>As currently reported</b>
	\$	\$	\$
Exploration and evaluation assets	89,949,728	(65,967,625)	23,982,103
Investment in Associates	5,782,178	(4,333,027)	1,449,151
Deferred tax liabilities	1,205,463	(800,482)	404,981
Net decrease in shareholders' equity		(56,342,218)	
Net decrease in non-controlling interest		(13,157,951)	

For the three and nine months ended September 30, 2017, the change in accounting policy had the following impact on the condensed interim consolidated statement of loss:

Three months ended September 30, 2017:	<b>Under previous accounting policy</b>	<b>Effect of change of accounting policy</b>	<b>As currently reported</b>
	\$	\$	\$
Exploration and evaluation expenditures	24,973	2,662,985	2,687,958
Loss (gain) from associates	15,430	21,021	36,451
Deferred tax expense (recovery)	45,338	(36,570)	8,768
Net increase (decrease) in overall loss attributable to:			
Shareholders		2,575,980	
Non-controlling interests		8,241	
		2,658,027	
Exchange differences on translations	433,002	(96,527)	336,475
Net increase in total loss and comprehensive loss attributable to:			
Shareholders		2,672,506	
Non-controlling interests		8,241	
		2,680,747	
Basic and diluted loss per share	\$0.01	\$0.01	\$0.02

Nine months ended September 30, 2017:	<b>Under previous accounting policy</b>	<b>Effect of change of accounting policy</b>	<b>As currently reported</b>
	\$	\$	\$
Exploration and evaluation expenditures	58,987	6,283,483	6,342,430
Loss (gain) from associates	57,285	87,745	145,030
Deferred tax expense (recovery)	48,347	(143,375)	(95,028)
Net increase (decrease) in overall loss attributable to:			
Shareholders		6,100,323	
Non-controlling interests		51,445	
		6,151,768	
Exchange differences on translations	992,026	(339,981)	652,045
Net increase in total loss and comprehensive loss attributable to:			
Shareholders		6,440,303	
Non-controlling interests		51,445	
		6,491,748	
Basic and diluted loss per share	\$0.02	\$0.04	\$0.06

Management has determined that Liberty Gold Corp. has a C\$ functional currency because the parent entity raises its financing and incurs head office expenses in Canadian dollars. In order to enhance comparability with our peers and as a better representation of the principal currency used by the mining and mineral exploration industry, the presentation currency of our consolidated financial statements is USD.

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

## SELECTED FINANCIAL INFORMATION

### Results of Operations

The following financial data (in \$ millions, except per share data) are derived from our unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2017 and 2016 respectively:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016 (restated) <sup>1</sup>	2017	2016 (restated) <sup>1</sup>
Total revenues	-\$nil	-\$nil	-\$nil	-\$nil
Net loss for the period and attributable to shareholders	\$3.56	\$1.95	\$9.36	\$7.22
Basic and diluted loss per share and attributable to shareholders	\$0.02	\$0.02	\$0.06	\$0.06

<sup>1</sup>2016 Restated for the change in accounting policy as discussed in the section 'Change in accounting policy and restatement of comparatives'

### ***Three and nine months ended September 30, 2017 vs three and nine months ended September 30, 2016***

Losses from operations for the three and nine months ended September 30, 2017 of \$3.60 million and \$9.24 million respectively were higher than the \$2.46 million and \$7.84 million in operating losses incurred in the respective comparative periods, due mostly to additional exploration and evaluation and investor relations, promotion and advertising expenditures in 2017, offset by reductions in expenditures on professional fees, wages and office and general expenses over the comparative period. The largest contributions to loss in the three and nine months ended September 30, 2017 are exploration and evaluation expenditures, wages and benefits, office and general and investor relations, promotion and advertising costs which combined comprise \$3.39 million and \$8.57 million respectively of the overall loss; these same three categories are the largest contributors to the loss in the three and nine months ended September 30, 2016 (combined: \$2.24 million and \$7.03 million respectively). There was an additional \$0.09 million contribution to the loss in the nine months ended September 30, 2017 due to the recognition of accumulated losses in other comprehensive income, in the statement of loss, on impairment of certain of our available for sale ("AFS") investments.

As a result of Logan Resources Inc.'s ("Logan") election to earn a 51% interest in the Company's Brik, Easter, Antelope and Viper properties (the "Selected Properties") under the Option Agreement during the three months ended September 30, 2017, a loss of \$0.04 million was recognized with a corresponding decrease in exploration and evaluation assets, to reflect the de-recognition for Logan's ownership interest in the Selected Properties.

Net cash operating outflows were higher than the comparative period at \$7.85 million in the nine months ended September 30, 2017, (nine months ended September 30 2016: \$6.89 million) mainly due to higher exploration and evaluation expenditures in the current period.

#### *Exploration and evaluation expenditures*

Exploration and evaluation expenditures in the three and nine months ended September 30, 2017 totalled \$2.69 million and \$6.34 million respectively compared to \$1.54 million and \$4.58 million over the same respective periods in 2016. The nine month period ended September 30, 2017 primarily reflects expenditures at our Goldstrike property of \$4.89 million, as a result of our increased drilling activity in 2017 relative to the same period in 2016, during which \$3.02 million was spent.

#### *Wages and benefits*

As a reflection of having fewer employees, wages and benefits expenditures were \$0.31 million and \$0.92 million for the three and nine months ended September 30, 2017 respectively, as compared to \$0.34 million and \$1.33 million respectively in the same periods in 2016. The nine months ended September 30, 2016 includes severance payments paid to certain of our Turkish staff.

A significant portion of our remuneration costs are included as part of our exploration and evaluation expenditures based on the nature of work undertaken in that period (\$1.13 million and \$0.99 million for the nine months end September 30, 2017 and 2016 respectively).

#### *Office and General*

Office and general expenditures for the three months ended September 30, 2017 of \$0.24 million are lower than the comparative period of \$0.26 million and mainly reflect reduced travel costs. In the nine months ended September 30, 2017, office and general expenditures of \$0.82 million were lower than in the comparative period

(nine months ended September 30, 2016: \$0.89 million), due primarily to consulting costs in 2016 that were not incurred in 2017.

#### *Investor relations, promotion and advertising*

In the three and nine months ended September 30, 2017, \$0.16 million and \$0.50 million, respectively, in investor relations, promotion and advertising expenditures were made compared to \$0.10 million and \$0.23 million in the same respective periods in 2016, reflecting the cost of the re-branding and re-naming of the Company in May 2017.

#### *Stock-based compensation*

Stock-based compensation expense for the three and nine months ended September 30, 2017 totaled \$0.12 million and \$0.31 million respectively (three and nine months ended September 30, 2016: \$0.05 million and \$0.40 million respectively). The expense reflects (i) the relative value of a grant of employee stock options ("**Options**") to purchase common shares of the Corporation ("**Common Shares**"), Restricted Share Units ("**RSUs**") and Deferred Share Units ("**DSUs**") in June 2016 and December 2016, and (ii) the diminishing impact of Options granted in prior periods as they vest. Stock-based compensation expense should be expected to vary from period to period depending on several factors, including whether Options, RSUs or DSUs are granted in a period, and the timing of vesting or cancellation of such equity instruments.

These amounts do not include values recorded as part of exploration and evaluation expenditures (\$0.22 million in the nine months ended September 30, 2017 and \$0.08 million in the nine months ended September 30, 2016).

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

#### *Other income and expenses*

In the three and nine months ended September 30, 2017, the Company recorded other expenses (net) of \$0.01 million and \$0.29 million as compared to other net income of \$0.37 million and \$0.22 million respectively in the three and nine months ended September 30, 2016.

The main contributors to the change over the comparative period, were losses in the fair value of financial instruments of \$0.23 million in the nine months ended September 30, 2017, compared to \$0.09 million in the same period in 2016, due primarily to our recognition in the statement of loss of accumulated losses in other comprehensive loss on impairment of certain of our AFS investments, along with losses of \$0.04 million and \$0.15 million in the three and nine months ended September 30, 2017 respectively, compared to \$0.02 million and \$0.08 million in the same periods in 2016 relating to our associate in Turkey.

#### *Other comprehensive loss*

The net balance of other comprehensive loss consists of the impact of exchange gains and losses from the translation of our foreign operations with a non-USD functional currency, as well as fair value gains and losses on our unimpaired AFS financial assets and fair value gains on our impaired AFS financial assets. For the three and nine months ended September 30, 2017, the impact of foreign exchange was gains of \$0.34 million and \$0.65 million respectively, (three and nine months ended September 30, 2016: losses of \$0.06 million and gains of \$0.49 million, respectively). The impact from exchange differences will vary from period to period depending on the rate of exchange.

The Canadian dollar appreciated 7.7% relative to the value of the USD in the period between January 1, 2017 and September 30, 2017 (during the same period of the comparative year it appreciated 5.5%). Net fair value losses on our unimpaired AFS financial assets were \$0.23 million and \$0.14 million in the three and nine months ended September 30, 2017, as compared to gains of \$0.13 million and \$0.47 million in the respective comparative periods.

## Financial Position

The following financial data is derived from our unaudited condensed interim consolidated financial statements as at September 30, 2017, and December 31, 2016:

	September 30, 2017	December 31, 2016 (restated) <sup>1</sup>
Total assets	\$32.92 million	\$40.88 million
Non-current financial liabilities	\$0.09 million	\$0.08 million
Cash dividends declared	\$nil	\$nil

<sup>1</sup>2016 Restated for the change in accounting policy as discussed in the section 'Change in accounting policy and restatement of comparatives'

### *Total assets*

The \$7.96 million decrease in total assets reflects cash expenditures including primarily, exploration and evaluation expenditures, wages and salaries, office and general, investor relations costs and professional fees of \$8.57 million in aggregate, offset by the receipt of a \$0.50 million VAT receivable in Turkey.

Notwithstanding one-time transactions and any changes to the value of our portfolio of investment holdings, and subject to changes in foreign exchange, total assets will generally decrease reflecting cash expenditures in the period. We have not yet completed feasibility studies to determine whether any of our exploration properties contain resources that are economically recoverable. If a property is abandoned or capitalised and acquisition costs are not deemed recoverable, then they will be written-off.

### *Non-current financial liabilities*

At September 30, 2017 and December 31, 2016, our non-current liabilities include (i) reclamation work to be performed on exploration properties, and (ii) liabilities recorded in recognition of a statutory obligation in Turkey to accrue for lump-sum termination payments for employees when their employment is terminated due to retirement or for reasons other than resignation or misconduct. As at September 30, 2017, a deferred tax liability was recognised on the controlling interest in Orta Truva, arising from foreign exchange on the tax basis of our assets held in Turkey. This is not classified as a financial liability.

## **SUMMARY OF QUARTERLY RESULTS**

The following information (in thousands of \$, except per share amounts) is derived from, and should be read in conjunction with, our Annual Financial Statements and the interim condensed consolidated financial statements for each of the past eight quarters. Consistent with the preparation and presentation in our Annual Financial Statements, unaudited quarterly results are presented in USD. The determination of functional currency for the Company and each of its subsidiaries and associates is that which is disclosed in the Annual Financial Statements.

### **Condensed consolidated statements of loss and comprehensive income (loss)**

	Sep 30 2017	Jun 30 2017	Mar 31 2017	Dec 31 2016 restated <sup>1</sup>	Sep 30 2016 restated <sup>1</sup>	Jun 30 2016 restated <sup>1</sup>	Mar 31 2016 restated <sup>1</sup>	Dec 31 2015 restated <sup>1</sup>
<b>Loss attributable to the shareholders</b>								
Loss for the period	(3,617)	(3,259)	(2,513)	(4,296)	(1,955)	(2,822)	(2,438)	(2,179)
Exchange differences on translating foreign operations	336	194	121	(115)	(62)	(1)	551	(720)
Net value gain (loss) on financial assets	(109)	73	2	(237)	93	239	86	39
Basic and diluted loss per share	(0.02)	(0.02)	(0.02)	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)

<sup>1</sup>Comparative periods restated for the change in accounting policy as discussed in the section 'Change in accounting policy and restatement of comparatives'

The quarter ended September 30, 2017, showed higher losses over the previous quarter due primarily to the increased drilling activity at our Goldstrike property following the addition of the third drill in June. In addition to the \$0.39 million increase in exploration and evaluation expenditures, a change in fair value of AFS investments of \$0.27 million also contributed to the loss. A decrease in the income tax recovery of \$0.19 million was the third largest contributor to the loss, reflecting foreign currency fluctuations on our assets in Turkey.

These increases were offset by lower office and general expenditures of \$0.09 million and foreign exchange losses of \$0.06 million during the three month period.

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

The largest contributors to the loss for the three months ended March 31, 2017, were exploration and evaluation expenditures of \$1.36 million, wages and benefits of \$0.33 million, and office and general of \$0.26 million. These expenditures were all lower than in the previous period by \$0.73 million collectively, due to greater drilling activity and bonuses paid in the three months ended December 31, 2016.

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

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

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

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

The loss for the quarter ended December 31, 2015 includes \$1.29 million in exploration and evaluation expenditures, wages and salaries not allocated to projects of \$0.55 million, which are higher than in other quarters due to reduced activity at the properties toward year-end, and office and general costs of \$0.32 million.

## **RELATED PARTY TRANSACTIONS**

### *Administration and Technical Services Agreement - Oxygen Capital Corporation*

In 2013, the Company entered into an administration and technical services agreement with Oxygen Capital Corporation ("**Oxygen**") (the "**Oxygen Agreement**"). Oxygen is a private company currently owned by three directors of the Company (Dr. O'Dea, and Messrs. McInnes and Tetzlaff) and is considered a related party. Pursuant to the Oxygen Agreement, Oxygen provides the Company, on a cost-recovery basis, with the following services, which are invoiced and settled on a monthly basis:

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

Liberty Gold shares a head office with other private and public companies each of which has an arrangement with Oxygen. Oxygen allocates the costs of personnel (plus applicable benefits), assets and infrastructure to the

various companies based upon the estimated time spent by personnel on Company activities. Oxygen exists to consolidate employees and office infrastructure in one entity so that costs may be more efficiently allocated. Oxygen does not mark-up costs or charge a fee to the Company. Employees of Oxygen providing services to the Company do so pursuant to a secondment agreement, and take direction from the President & Chief Executive Officer of the Company and from Oxygen. On April 4, 2017 the Company appointed a new Chief Financial Officer, who is an employee of Oxygen, and whose salary and applicable benefits will continue to be paid by the Company under the same terms as other Oxygen personnel.

Transactions with Oxygen during the nine months ended September 30, 2017 total \$0.38 million, and are reflected in the Interim Financial Statements. As at September 30, 2017, the Company held a payable to Oxygen of \$0.08 million (settled subsequent to period end), and a deposit of \$0.16 million with Oxygen for use against the final three months of service upon termination of the arrangement.

*Compensation of key management personnel*

Key management includes members of the Board, the President and Chief Executive Officer, the VP Exploration & Geoscience, the Chief Financial Officer & Corporate Secretary, and the Country Manager for Turkey. The aggregate total compensation recognised in the Interim Financial Statements, is shown below:

	<b>Nine months ended September 30,</b>	
	<b>2017</b>	<b>2016</b>
Salaries, bonuses and other short-term employee benefits	\$ 0.77 million	\$ 0.74 million
Share-based payments	0.25 million	0.50 million
<b>Total</b>	<b>\$ 1.02 million</b>	<b>\$ 1.24 million</b>

**LIQUIDITY AND CAPITAL RESOURCES**

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

As at the date of this MD&A, including cash contributed by our partners at Kinsley and TV Tower for use in accordance with approved budgets at each property, the Company has approximately \$3.94 million available in cash, cash equivalents, and short-term investments. Our global budget, including exploration and administration for 2017, was amended and increased in July 2017 to \$11.98 million (previously: \$11.03). We currently anticipate spending approximately \$7.06 million at Goldstrike, \$0.42 million at Black Pine, \$0.37 million at Kinsley, \$0.87 million at TV Tower, and approximately \$0.17 million at Halilağa. Budgeted general and administrative costs of \$3.12 million include salaries, professional fees and those costs associated with running the Company's offices in Vancouver, Nevada and Turkey as well as for investment in equipment and review of new opportunities.

With no debt, the Company's working capital balance as at the date of this MD&A is approximately \$3.08 million. On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration, development, permitting activities, and committed administrative costs, to ensure that adequate levels of working capital are maintained. We believe that this approach, given the relative size of Liberty Gold, is reasonable. Management believes that available funds, in aggregate with the net proceeds of the 2016 Bought-Deal, are sufficient for current operations for at least one year, assuming no other factors change and with appropriate liquidity management.

### *2016 Bought-Deal*

The successful closing of the 2016 Bought-Deal<sup>3</sup> provided capital to advance our planned exploration programs at Goldstrike, Kinsley and our other mineral property interests through 2017. Recent improvement in commodity prices and capital market conditions for mining and metals companies, and our past history of raising sufficient capital to carry out our plans give management confidence in our ability to raise additional funds when needed. The approximate use of proceeds from the 2016 Bought-Deal through the end of 2017, with reference to the balance of cash and short term investments at the time, is outlined in the Company's short form prospectus dated November 9, 2016, and reproduced below:

<u>Activity or Nature of Expenditure</u>	<u>Approximate Use of Net Proceeds</u>
Exploration and Development of Goldstrike	\$6.74 million
Exploration and Development of Kinsley	\$1.03 million
Exploration and Development of Black Pine	\$0.75 million
Working Capital	\$1.45 million
<b>Total</b>	<b>\$9.97 million</b>

Expenditures subsequent to closing the 2016 Bought-Deal through September 30, 2017, and the design of budgets for the remainder of 2017, are generally in line with the forecast above.

### *Private Placement Financing*

At the time of closing the 2016 Private Placement<sup>4</sup>, it was expected that proceeds therefrom would be used to advance the Company's Goldstrike and Kinsley gold projects and for general working capital purposes. Subsequent to closing the 2016 Private Placement, the Company was presented with an opportunity to acquire Black Pine in furtherance of its goal to advance a portfolio of past producing Carlin-style oxide gold mines in the western United States; accordingly, a portion of the proceeds of the 2016 Private Placement earmarked for Goldstrike, Kinsley and working capital were used to fund a portion of the Black Pine Acquisition. The diversion in cash did not have any impact on the Company's exploration programs and activities at either Goldstrike or Kinsley; however it did draw down the available balance of working capital.

### *Contractual obligations*

#### *Mineral Properties and Capital Expenditures*

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

- i) cash payments to be made to the government or underlying land or mineral interest owners; or
- ii) minimum expenditure requirements in order to maintain our rights to such mineral interests.

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

Kinsley and TV Tower: Pursuant to the respective operating agreements and elections by members to participate in funding the 2017 Program and Budget for each project, the Company must incur its pro rata share of the approved budgets for Kinsley and TV Tower. There are no approved budgets for 2018 at this time.

#### *Advance Royalty Payments ("ARPs") & Minimum Annual Exploration Expenditures*

As detailed in the MD&A for the year ended December 31, 2016, in accordance with certain underlying lease agreements, to maintain the associated lease agreements in good standing, we are required to make advance royalty payments ("ARPs") to the underlying property owners of the Kinsley and Antelope projects; we are also required to make minimum annual exploration expenditures at certain of our exploration properties. The Company has met, and continues to incur all such minimum expenditure commitments at the date of this MD&A. Expenditures relating to the Antelope property, however, will be paid directly by Logan as a result of the additional earn-in completed during the three months ended September 30, 2017. There have been no changes with respect to the Kinsley commitments since December 31, 2016.

### *Leases*

The Company has entered into operating leases for premises in the United States and Turkey. The lease

<sup>3</sup> See press release dated November 16, 2016

<sup>4</sup> See press release dated March 4, 2016

terms are between two and four years; each lease is renewable at the end of the lease period at the market rate. Office premises and other operating leases in Canada are paid to Oxygen, pursuant to the Oxygen Agreement. These amounts, as pertaining to non-cancellable leases, are included in the table below. The aggregate lease expenditure related to Liberty Gold's office premises charged to the statement of loss for the nine months ended September 30, 2017 is \$0.10 million (see also in this MD&A, "**Related Party Transactions**").

Total future minimum lease payments, under non-cancellable operating leases as at September 30, 2017 are:

Year	
2017	\$ 0.07 million
2018	0.22 million
2019	0.20 million
2020	0.21 million
2021+	0.51 million
	<b>\$ 1.21 million</b>

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

#### *Indemnifications*

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

#### *Surety Bonds*

In November 2016, the Company entered into an agreement with a third-party to replace \$0.95 million of its existing bonding deposits in the United States with surety bonds of the same amount. The bonds are held in favour of the BLM and the United States Forestry Service (the "**USFS**") as financial support for environmental reclamation and exploration permitting. The surety bonds are secured by a \$0.21 million deposit (as at the date of this MD&A) and are subject to fees competitively determined in the market place. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As specific requirements are met, the BLM and USFS as beneficiaries of the different instruments will return the instrument to the issuing entity. As these instruments are associated with ongoing and active exploration properties, they will remain outstanding until the earlier of the date that the Company has discharged its remediation obligations, or determines to self-fund the underlying bonding obligations.

#### *Investments*

At the effective date of this MD&A, the market value of our portfolio of investment holdings, comprising securities in exploration companies, is \$0.33 million.

#### *Off Balance Sheet Arrangements*

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

### **LEGAL MATTERS**

#### *Environmental Impact Assessments - Halılađa and TV Tower (update)*

In January 2016, the Turkish Council of State (the "**Danıřtay**", or "**Supreme Court**") overturned a decision of the Çanakkale Administrative Court (the "**Çanakkale Court**") to annul previously received and approved EIA reports for Halılađa and TV Tower. The matters were then sent by the Çanakkale Court for re-examination with a directive to re-process each case and re-approve the validity of the respective EIAs. The Çanakkale Court determined it did not have the authority to re-approve the EIAs and returned the matters to a higher level of the Danıřtay in Ankara. A motion in support of the Ministry of Environment and Urban Planning (the defendant) was subsequently submitted requesting that this higher level of Supreme Court expedite its review and to reinstate the EIAs. The Danıřtay reviewed the matter, and forwarded it back to the Çanakkale Court for final ruling, who in May 2017 finalised its decision to reinstate the EIA on the TV Tower and Halılađa licences.

The Çanakkale Court approved the validity of both EIAs. The results of an appeal to this decision made to the Danıştay on July 28, 2017, is still pending.

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

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

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

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the reported amounts of assets, liabilities, and expenses. Factors that could affect these estimates are discussed in our AIF, under the heading, "*Risk Factors*". Subject to the impact of such risks, the carrying value of Liberty Gold's financial assets and liabilities approximates their estimated fair value.

### *Judgements*

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

#### *i) Functional currency*

The functional currency for the parent entity, and each of its subsidiaries and associates, is the currency of the primary economic environment in which the entity operates. The US and Turkish subsidiaries of the parent entity, have a US dollar functional currency, while the parent entity itself, and its remaining subsidiaries, have a Canadian dollar functional currency. Determination of functional currency involves certain judgements to determine the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

#### *ii) Review of asset carrying values and impairment assessment*

In accordance with the Company's accounting policy, each asset is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at the higher of value in use and fair value less costs to sell. The most significant assets assessed for impairment include the value of the Company's investment interests in associates, and the carrying value of its exploration property interests. Indications of impairments for these assets include judgement on whether exploration and exploration rights will continue to be funded and if the projects are commercially viable.

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

Management did not identify any indicators of impairment on the Company's assets in the nine months ended September 30, 2017. Significant classes of assets reviewed for recoverability and impairment include the following:

#### *a. Exploration and evaluation assets*

The application of the Company's accounting policy for exploration expenditures requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. Resource exploration is a speculative business and involves a high degree of risk. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also

significant. There is no assurance the Company has, or will have, commercially viable ore bodies, nor can there be any assurance that the Company will be able to arrange sufficient financing to bring such ore bodies into production.

*b. Investment in associate*

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

*c. Value-added tax receivables*

The Company incurs indirect taxes, including value-added tax, on purchases of goods and services at its Turkish exploration and development projects. Indirect tax balances are recorded at their estimated recoverable amounts within current or long-term assets, net of provisions, and reflect the Company's best estimate of their recoverability under existing tax rules in the respective jurisdictions in which they arise. Recoverable indirect taxes owed to Orta Truva are reflected on the Company's consolidated statement of financial position; such recoverable taxes due to Truva Bakır are reflected within the balance of the Company's investment in that entity. Management's assessment of recoverability involves judgments regarding balance sheet classification and the probable outcomes of claimed deductions and/or disputes. The provisions and balance sheet classifications made to date may be subject to change and such change may be material.

*iii) Deferred tax assets and liabilities*

The Company is subject to assessments by various taxation authorities, which may interpret legislation differently and judgement is required in determining the global tax provision.

*Estimates and assumptions*

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

*iv) Exploration and evaluation assets*

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Company's exploration and evaluation assets, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company has to apply a number of estimates and assumptions. The publication of a mineral resource estimate pursuant to NI 43-101 is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred). Any such estimates and assumptions may change as new information becomes available. If, information becomes available suggesting that the recovery of acquisition costs is unlikely, the relevant capitalised amount is written-off in the statement of profit or loss in the period when the new information becomes available.

*v) Deferred tax assets and liabilities*

The determination of the Company's tax expense for the period and deferred tax liabilities involves significant estimation by management. In determining these amounts, management makes estimates of the expected timing of the reversal of deferred tax assets and liabilities.

## **RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS**

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

### *Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. We manage our capital in order to meet short term business requirements, through preparation and management of detailed budgets, taking into account cash flows from operations, expected capital expenditures and our holdings of cash and cash equivalents. We may from time to time have to issue additional Common Shares to ensure there is sufficient capital to meet our long-term objectives. Our financial liabilities of trade payables and accrued liabilities are

payable within a 90-day period and are expected to be funded from the available balance of cash and short term investments.

#### *Market Risk*

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

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

A 1% increase or decrease in the exchange rate of the USD relative to the C\$ would result in a \$0.04 million increase or decrease respectively in the Company's cash and short-term investment balance. Although our exposure relating to operating activity in Turkey from fluctuations of the TL remains minimal given the nature, type, and currency of expenditure (USD), recent volatility in that currency relative to the USD has increased the potential for an impact on the Company's cash and short-term investment balance. A significant strengthening in the value of the TL compared to the USD could adversely impact the economics associated with Halilağa.

We have not entered into any derivative contracts to manage foreign exchange risk at this time.

#### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Liberty Gold's credit risk is primarily attributable to its liquid financial assets. We limit exposure to credit risk and liquid financial assets through maintaining cash and short term investments with high credit quality banking institutions in Canada, the USA and Turkey. Credit risk is mitigated on these financial instruments in accordance with the Company's investment policy.

#### *Interest Rate Risk*

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

### **OUTSTANDING SHARE DATA**

There are 150,780,559 Common Shares and 20,340,000 Warrants issued and outstanding as at September 30, 2017, and as at the date of this MD&A.

As at September 30, 2017, there were 10,080,750 Options outstanding issued to directors, officers, employees, and key consultants of the Company. As at the date of this MD&A there were 9,938,250 Options outstanding. Of the total number of Options granted, 5,015,500 were exercisable as at September 30, 2017 and 4,953,000 are exercisable as at the date of this MD&A.

As at September 30, 2017, and as at the date of this MD&A there were 948,309 and 936,643 RSUs outstanding respectively, issued pursuant to the RSU plan, of which 372,306 are exercisable, and 858,000 DSUs outstanding issued pursuant to the DSU plan.

### **PROPOSED TRANSACTIONS**

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

With the exception of continuing discussions with Teck and various third-parties to unlock the value and potential of our Turkish business, there are no proposed asset or business acquisitions or dispositions before the Board for consideration. While we remain focused on our plans to continue exploration and development on our

material properties, should we enter into agreements in the future on new properties, we may be required to make cash payments and complete work expenditure commitments under those agreements.

## **INDUSTRY AND ECONOMIC FACTORS THAT MAY AFFECT OUR BUSINESS**

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

More specifically, while the ongoing volatility in the price of gold and copper and continued uncertainties in capital markets do not have a direct impact on the Company's ability to carry out exploration, the Company may be impacted should it become more difficult to gain access to capital (e.g. debt or equity financing for the purposes of mineral exploration and development) when and if needed, and may need to modify or curtail its exploration and development programs. Difficulty in accessing capital on favourable terms may limit the Company's ability to develop and/or further explore the mineral properties in which we have an interest and may limit our ability to meet capital calls with respect to our associates. Further, the continued strength of the USD (the currency in which the Company incurs the majority of its operating costs) against the C\$ (the currency in which Liberty Gold has historically raised capital) impacts the rate at which the Company's treasury is consumed.

The specific risks noted in our AIF, those described in our Short Form Prospectus, dated November 9, 2016 relating to the 2016 Bought-Deal, the recent political unrest in Turkey, and others in particular relating to permitting for operations, may limit the Company's ability to develop and/or further explore its mineral property interests and may limit the ability of the Company to satisfy expenditure requirements on our material projects.

## **OTHER RISKS AND UNCERTAINTIES**

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

### *Political policy risk*

Certain of the Company's material mineral property interests are located in Turkey. As such, these property interests are subject to political, economic, and other uncertainties, including, but not limited to, the uncertainty of negotiating with foreign governments, expropriation of property without fair compensation, adverse determination or rulings by governmental authorities, adverse actions by governmental authorities, changes in policy relating to the extractive industries or in the personnel administering them, nationalization, currency fluctuations and devaluations, disputes between various levels of authorities, arbitrating and enforcing claims against entities that may claim sovereignty, authorities claiming jurisdiction, restrictions on foreign investment, potential implementation of exchange controls and royalty and government take increases and other risks arising out of foreign governmental sovereignty, as well as risks of loss due to civil strife, acts of war, guerrilla activities, and insurrections. The Company's property interests may be adversely affected by changes in government policies and legislation or social instability and other factors which are not within the control of the Company including, among other things, adverse legislation in Turkey, any lack of certainty with respect to foreign legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law, the risks of war, terrorism, abduction, expropriation, nationalization, renegotiation or nullification of existing concessions and contracts, taxation policies, economic sanctions, the imposition of specific exploration or extraction obligations, and land use requirements over lands administered by the Turkish Ministry of Forestry. The political and security situation in certain areas outside of Turkey is unsettled and volatile. The attempted military coup in Turkey during 2016 highlighted the potential for volatility or civil unrest within the country and its political and bureaucratic institutions. There

remains the potential for further such disturbances, which may adversely affect the Company and its business interests in Turkey.

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

## **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

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

Liberty Gold's officers certify the design of Liberty Gold's ICFR using the Internal Control – Integrated Framework (2013) issued by The Committee for Sponsoring Organizations of the Treadway Commission. There were no changes to the internal controls over financial reporting that occurred during the nine months ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

### ***Disclosure Controls and Procedures***

Disclosure controls and processes have been designed to ensure that information required to be disclosed by Liberty Gold is compiled and reported to management as appropriate to allow timely decisions regarding required disclosure. There have been no significant changes in our disclosure controls and procedures during the nine months ended September 30, 2017.

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

## **SUBSEQUENT EVENTS NOT OTHERWISE DESCRIBED HEREIN**

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

## **ADDITIONAL INFORMATION**

For further information regarding Liberty Gold, refer to Liberty Gold's AIF and other continuous disclosure filings with the Canadian securities regulatory authorities available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com)

## **APPROVAL**

The Board has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it of us, and will be posted to our website at [www.Libertygold.ca](http://www.Libertygold.ca).

*(signed) "Cal Everett"*

Cal Everett

President and Chief Executive Officer

November 9, 2017

*(signed) "Joanna Bailey"*

Joanna Bailey

Chief Financial Officer and Corporate Secretary

## SCIENTIFIC AND TECHNICAL DISCLOSURE

The written disclosure of technical information in the MD&A has been approved by Moira Smith, Ph.D., P.Geo., Liberty Gold Vice-President Exploration and Geoscience, and a Qualified Person ("QP") for the purposes of NI 43-101. Dr. Smith reviewed and validated that the scientific or technical information contained in this MD&A is consistent with that provided by the QPs responsible for the NI 43-101 Technical Reports for the respective projects, and has verified the technical data disclosed in this document relating to those projects in which the Company holds an interest. Dr. Smith has consented to the inclusion of the Technical Information in the form and context in which it appears in this MD&A.

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

- "*Technical Report on the Goldstrike Project, Washington County, Utah, U.S.A.*", effective April 1, 2016 and dated October 7, 2016, as prepared by Michael M. Gustin, CPG, Moira Smith, Ph.D., P.Geo.
- "*Updated Technical Report and Estimated Mineral Resources for the Kinsley Project, Elko and White Pine Counties, Nevada, USA*", effective October 15, 2015, and dated December 16, 2015 as prepared by Michael M. Gustin, CPG, Moira Smith, Ph.D., P.Geo., and Gary Simmons, B.Sc. MMSA;
- "*Independent Technical Report for the TV Tower Exploration Property, Çanakkale, Western Turkey*", effective January 21, 2014, and dated February 20, 2014, as prepared by Casey M. Hetman, P.Geo. with SRK Consulting (Canada) Inc. ("**SRK**"), James N. Gray, P. Geo. of Advantage Geoservices Ltd., and Gary Simmons, BSc, Metallurgical Engineering, of G L Simmons Consulting, LLC; and
- "*Revised Preliminary Economic Assessment Technical Report for the Halilağa Project, Turkey*", effective December 20, 2014 and dated February 16, 2015, as prepared by Gordon Doerksen, P. Eng., Dino Libertyto, P.Eng. and Stacy Freudigmann, P.Eng. of JDS Energy and Mining Inc.; Greg Abrahams, P.Geo and Maritz Rykaart, P.Eng. of SRK; Gary Simmons of GL Simmons Consulting LLC.; Garth Kirkham, P.Geo. of Kirkham Geosystems Ltd.; and James Gray, P.Geo. of Advantage Geoservices Ltd.

and news releases (collectively the "**Disclosure Documents**", each prepared by or under the supervision of a QP) available under the Company's profile on SEDAR at [www.sedar.com](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. Readers are encouraged to review the full text of the Disclosure Documents qualifying the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mineral resource estimates are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that which is indicated by drilling results, and the difference may be material. Furthermore, readers are cautioned that the Revised Halilağa PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the Revised Halilağa PEA will be realized. Further studies, including engineering and economics, are required (typically as a Pre-Feasibility Study) with regards to infrastructure and operational methodologies. Moreover, the illustrative mine plan and economic model detailed in the Revised Halilağa PEA include the use of a significant portion of Inferred Resources, which are considered to be too speculative geologically to be used in an economic analysis, except as permitted by NI 43-101 for use in PEAs. Additional disclosure and cautionary notes relating to the Revised Halilağa PEA are summarized in the AIF.

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

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

This MD&A, contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, including statements or information concerning, future financial or operating performance of Liberty Gold and its business, operations, properties and condition; the potential quantity, recoverability and/or

grade of minerals, the potential size of a mineralized zone or potential expansion of mineralization, proposed exploration and development of Liberty Gold's exploration property interests and the Corporation's anticipated expenditures.

Forward-looking statements and forward-looking information is often, but not always, identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including among other things, assumptions about future prices of gold, copper, silver, and other metal prices, changes in the worldwide price of other commodities such as coal, fuel and electricity, fluctuations in resource prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time; anticipated use of proceeds from the 2016 Private Placement and 2016 Bought-Deal; future issuances of Common Shares and Warrants; obtaining renewals for existing licences and permits and obtaining required licences and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources; the timing and likelihood of deployment of additional drill rigs to our projects, the release of an initial resource report at Goldstrike, the release of a Preliminary Economic Assessment on Goldstrike, the timing and amount of estimated future production, illustrative costs of production and mine life of the various mineral projects of Liberty Gold, the amenability of mineralization to produce a high-grade concentrate at any of our properties (as there can be no assurances as to the results of the metallurgical testing and no inferences should be drawn therefrom), the accuracy of any metallurgical testing completed to date, successful resolution of disputes (if any) and anticipated costs and expenditures, the interpretation and actual results of historical production at certain of our exploration properties, as well as specific historic data associated with and drill results from those properties, and the reliance on technical information provided by our joint venture partners or other third-parties; the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration, acquisition and development activities, estimated exploration budgets and timing of expenditures and community relations activities; Liberty Gold's ability to fully fund cash-calls made by its joint venture partner for ongoing expenditure at Halilağa; satisfaction of expenditure obligations under earn-in agreements to which the Company is a party, government regulation of mining operations, environmental risks and reclamation expenses, title disputes, the ability to maintain or convert the underlying licences for Halilağa and TV Tower in accordance with the requirements of applicable mining laws in Turkey; government regulation of exploration and mining operations, and the application thereof in accordance with the rule of law; the timing and possible outcome of regulatory and permitting matters; successful resolution of the challenges to the EIAs described in this MD&A or those that might arise in the future, the impact of archaeological, cultural or environmental studies within the property areas, anticipated costs and expenditures and our ability to achieve our goals. While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information. Many assumptions are based on factors and events that are not within the control of Liberty Gold and there is no assurance they will prove to be correct.

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

Forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or forward-looking information. Such factors include, among others: general business, economic, competitive, political, regulatory and social uncertainties, including those relating to internal political or military unrest; fluctuations in and the future price of gold, copper, silver and other metal prices; disruptions or changes in the credit or securities markets and market fluctuations in prices for Liberty Gold's securities; the timely receipt of regulatory approvals; judgement of management when exercising discretion in their use of proceeds from the 2016 Private Placement and 2016 Bought-Deal; potential dilution of Common Share voting power or earnings per share as a result of the exercise of Options, RSUs, DSUs, or Warrants, future financings or future acquisitions financed by the issuance of equity; discrepancies between actual and estimated mineral reserves and resources; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, flooding, rock bursts and other acts of God or natural disasters or unfavourable operating conditions and losses; political instability, hostilities, military coups or attempts thereof, insurrection or acts of war or terrorism; expropriation of property without fair compensation; adverse determination or rulings by governmental authorities;

adverse actions by governmental authorities; changes in policy relating to the extractive industries or in the personnel administering them; the speculative nature of mineral exploration and development, including the risk of diminishing quantities or grades of mineralization; Liberty Gold's ability to renew existing licences and permits or obtain required licences and permits; changes in government legislation and regulation; requirements for future funding to satisfy contractual obligations and additional capital needs generally; uncertainties associated with minority interests and joint venture operations; risks arising from having the majority of the Company's operations occur in foreign jurisdictions, those associated with the Company's indemnified liabilities and the potential for increased infrastructure and/or operating costs or reclamation costs; the risks involved in the exploration, development and mining business generally; and the factors discussed in the section entitled "*Risk Factors*" in the AIF. Although we have attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward looking statements or forward-looking information, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

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

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

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

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