



Liberty Gold Corp.

An Exploration Stage Company

**Management's Discussion and Analysis
For the year ended December 31, 2019**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended December 31, 2019

This Management's Discussion and Analysis, dated as of March 26, 2020 is for the year ended December 31, 2019 (the "**MD&A**"), and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2019 of Liberty Gold Corp. (in this MD&A, also referred to as "**Liberty Gold**", or the "**Company**", or "**we**", or "**our**", or "**us**"), the related notes thereto (together, the "**Annual Financial Statements**"), and other corporate filings, including our Annual Information Form for the year ended December 31, 2019, dated March 26, 2020 (the "**AIF**"), available under our company profile on SEDAR at www.sedar.com. Our reporting currency is the United States dollar ("**\$**", or "**USD**"); dollar figures in this MD&A are expressed in USD unless otherwise stated. Canadian dollars herein are expressed as "C\$"¹.

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

HIGHLIGHTS FROM 2019 AND SUBSEQUENT EVENTS:

- In November 2019, we received a \$4 million non-refundable deposit as part consideration for the Halilağa porphyry copper gold deposit in Turkey² ("**Halilağa**"). On July 12, 2019 we, along with our joint venture partner Teck Resources Limited ("**Teck**"), signed a definitive agreement to sell Halilağa to Cengiz Holdings A.Ş for total consideration of \$55 million. In accordance with our 40% interest in Halilağa, we will receive a total of \$22 million over a three-year period. Closing of the final agreement and a second payment of \$6 million is scheduled for August 15, 2020, to be followed by two additional bank guaranteed payments of \$6 million each on August 15, 2021 and 2022.
- We signed a definitive agreement in December 2019 to sell our interest in the Kinsley Mountain gold deposit³ to Barrian Mining Corp. (the "**Kinsley Agreement**") for aggregate gross proceeds of over \$7.5 million to be received in 3 stages over 2 years.
- In March 2020, we sold our 15% net profit interest ("**NPI**") in the Regent property in Nevada, to Ely Gold Royalties Inc. ("**Ely**"), for a total consideration of \$800,000 and 2,000,000 warrants to purchase common shares in Ely ("**Ely Warrants**"). The Ely Warrants can be exercised for C\$0.43 per Ely Warrant and expire on December 18, 2021⁴.
- Since July 2019, to the date of this MD&A we have received a total of C\$3,327,150 and C\$401,375 from the early exercise of Liberty Gold common share purchase warrants ("**Warrants**") issued pursuant to the bought deal financings that closed on October 2, 2018 and January 26, 2018, respectively; the Warrants are exercisable for C\$0.60 and C\$0.65, respectively, for a period of three years from issue.
- In September 2019, the Company completed a bought deal financing, including the exercise of the over-allotment in full, for gross proceeds C\$15.8 million.
- In February 2020, we announced the appointment of a new director Barbara Womersley⁵.

At Black Pine we:

- Expect to begin drilling a phase 1 fully funded 28,800 metre ("**m**") reverse circulation ("**RC**") exploration program on March 31, 2020.
- Staked 94 additional federal lode claims, primarily to the south and east of the original Black Pine Property. Total 100% owned land holdings now total 38.6 square kilometres ("**km²**")
- Received a new Plan of Operations in February, 2019 allowing for 141 acres of disturbance and 351 drill sites.
- Made two new discoveries with long intervals of high-grade oxide mineralization, and continued their expansion throughout 2019. "**Discovery 1**" was made in a 500 m-wide gap between an area of known gold

¹ As at December 31, 2019, the value of C\$1.00 was approximately \$0.768; the daily average OANDA Rate™

² See press release dated July 12, 2019 and November 18, 2019.

³ See press release dated December 2, 2019.

⁴ See press release dated March 12, 2020.

⁵ See press release dated February 25, 2020.

mineralization and a historic pit with flanking gold mineralization, and “**Discovery 2**” occupies a large area between Discovery 1 and another historic pit to the northeast. At present, the Discovery 1 zone measures 1 kilometre (“**km**”) long and 150 m wide, and the Discovery 2 zone measures 600 m long and 400 m wide and is open to the south. Only 60% of the 1 km² core focus area was drill tested in 2019. The total drill target based on historical drill results covers approximately 12 km².

- A single step out regional drill hole located 3200 metres southeast of the Focus Area confirmed similar host rocks and nature of oxide gold mineralization returning 0.49 g/t Au over 55.3 m in LBP 093C with 93% cyanide solubility.
- Completed a 19,650 m RC drill program and a 1,250 m large diameter core drilling program which returned nine out of 10 of the strongest (as defined by grade multiplied by thickness) unmined gold intercepts⁶ on the property, all in the new discovery zones, including:
 - **4.39 grams per tonne of gold (“g/t Au”) over 53.3 m, including: 5.76 g/t Au over 38.1 m and 12.05 g/t Au over 12.2 m, in LBP043,**
 - **3.40 g/t Au over 62.5 m, including: 5.01 g/t Au over 33.5 m and 6.21 g/t Au over 21.3 m, in LBP064,**
 - **3.14 g/t Au over 44.2 m, including: 6.53 g/t Au over 16.8 m and 11.3 g/t Au over 7.6 m, in LBP062,**
- Demonstrated that cyanide solubility, particularly in the high-grade intervals, is very high, including 92% in LBP088, 97% in LBP043, and 94% in LBP045.
- The six core holes, drilled primarily for metallurgical testing, each encountered thick oxide gold intercepts Highlights include⁷:
 - **2.92 g/t Au over 55.9 m including: 5.64 g/t Au over 22.1 m and 12.4 g/t Au over 7.3 m in LBP067C,**
 - **2.43 g/t Au over 15.5 m including: 5.56 g/t Au over 6.1 m and 8.10 g/t Au over 3 m in LBP078C, and**
 - **1.84 g/t Au over 23.2 m including 2.79 g/t Au over 13.7 m in LBP073C.**

At Goldstrike we:

- Reported results from a phase 2 metallurgical testing providing additional support for a simple heap leach mining scenario. Gold extractions from 29 column tests were rapid, and greater than 80% of the leachable gold was extracted within 10 days, with final column leach gold extractions ranging up to 95%⁸
- Announced drill results from the 2019 drill program, focused on extensions to gold mineralization in three portions of the resource area, the Western, Main and Dip Slope Zones for the purpose of further resource delineation. Highlights include⁹:
 - **1.40 g/t Au over 19.8 m including 2.79 g/t Au over 9.1 m in PGS713, and**
 - **1.15 g/t Au over 27.4 m including 3.39g/t Au over 6.1 m in PGS733.**
- Demonstrated that mineralization in the resource model is open to extension.

OUTLOOK

Liberty Gold began 2020 with a strong treasury, including the funds from the bought deal financing that closed on September 10 2019, and the receipt in November 2019 of a \$4 million non-refundable deposit representing the first of the staged payments expected from the sale of Halilağa as part of the Halilağa Agreement (defined herein). These funds along with the remaining expected staged payments from the Halilağa Agreement and the Kinsley Agreement will enable us to continue to advance our cornerstone projects of Black Pine and Goldstrike through 2020 and beyond. Our focus is on continuing to demonstrate Black Pine’s potential to host a tier 1 oxide gold deposit.

Our priority projects are Black Pine and Goldstrike, which are Carlin-style systems with district scale potential, and are located in Idaho and Utah, U.S.A, respectively; both projects were run of mine heap leach operations in the 1980s and 1990s.

At Liberty Gold the safety and health of our employees, our contractors and the public comes first and foremost. In fulfilling this commitment, Liberty and its management, supervisors, employees, and contractors recognize that each of us has the responsibility to make safety our top priority. In doing so, Liberty ensures compliance with all relevant laws and regulations, and will continue to keep up to date with the latest developments under

⁶ See press release dated January 7, 2020, and press releases in 2019 dated May 29, June 19, July 15, July 31, September 12, October 1, and October 15 for drill results from the 2019 drill program.

⁷ See press release dated January 16, 2020

⁸ See press release dated May 28, 2019

⁹ See press release dated October 15, 2019

the current pandemic of the novel coronavirus (COVID19). For the time being, we have implemented a work from home initiative and postponed all non-essential travel for all of our employees normally reporting to an office. Our U.S. properties are located in remote locations but within a short drive of employees' homes and medical facilities, and currently there are no government-mandated restrictions on drilling or other related activities in these locations. Our on-site staff and on-site drilling teams consists of five or fewer people. Social distancing protocols regarding the use of vehicles, work-stations and common areas have been implemented. We anticipate an on-schedule start-up of the drilling program on March 31, 2020. The 2020 budget for administration and exploration is \$10.69 million. Our outlook for 2020 is as follows:

Black Pine

After proving the targeting model through the 2019 drill program by focussing on a 1 square kilometre ("**km²**") area, the 2020 RC drill program are scheduled to commence on March 31, 2020, will extend over an area of approximately 7 km². The current drill program is for 28,800 m, which may be expanded upon as results dictate.

In addition to step out drilling on the Discovery zones, drilling will be focused on testing other targets in the main permit area and the Rangefront area to the southeast. An application was submitted in January 2020 to amend the current plan of operations ("**PoO**") in order to include the untested area between the Rangefront target and the main permit area; approval is expected in Q3 2020. Results from metallurgical column testing on the six core holes drilled in 2019 are expected to be received during Q3, 2020. Ongoing work to identify process water sources in the area will continue throughout the year, as well as other engineering, environmental baseline, land and access studies. The 2020 exploration program and budget at Black Pine is \$6.3 million.

Goldstrike

In 2019, we completed a 9,600 m RC drill program demonstrating that mineralization in the resource model is open to expansion. In 2020, we will be carrying out reclamation work to allow further drilling by reclaiming past disturbance per the terms of our PoO. We will also be working towards securing water rights in order to continue de-risking and adding value to the project. The 2020 exploration program and budget at Goldstrike is \$0.47 million.

Kinsley

On December 2, 2019, we announced the signing of a definitive agreement to sell 100% of the Company's share of the Kinsley Mountain Gold Deposit to Barrian Mining Corp. ("**Barrian**") for a consideration to be paid in three stages as follows (the "**Kinsley Transaction**"):

- \$2.5 million on the closing date plus 2 million common shares in Barrian ("**Barrian Shares**") on a post-consolidation and pre-acquisition financing basis (subject to a contractual 12 month hold period).
- \$2.5 million on or before the 1st anniversary of the closing date plus 1 million Barrian Shares (subject to a contractual 12 month hold period).
- Barrian Shares with a value of \$2.5 million on or before the 2nd anniversary of the closing date (subject to a 4-month statutory hold period).
- A 1% Net Smelter Return Royalty ("**NSR**") on a 79.1% interest in Kinsley, of which up to one-half percent (0.5%) can be repurchased by Barrian for \$500,000.

Closing of the Kinsley Transaction is anticipated in Q2 2020 subject to completion of a financing by Barrian and other customary conditions including approval by the TSX Venture Exchange.

An updated Technical Report on the Kinsley Project was filed on February 21, 2020 and is available on SEDAR under Barrian Mining Corp.

OVERALL PERFORMANCE

Liberty Gold's long-term exploration success in the mining friendly region of the Great Basin has been driven by acquiring projects that were historical heap leach gold mines operating in a US \$300 to \$350 per oz gold price environment, 20 to 25 years ago. All of Liberty Gold's significant projects were acquired with extensive historical exploration and mining databases and large land holdings covering broad target areas over a district scale.

Liberty Gold's share of expenditures for the year ended December 31, 2019, as compared to our share of budgeted cash exploration and development expenditures on our property interests are summarized (in 000s) as:

Project	Liberty Gold ownership	Minerals	Year ended December 31, 2019		Budgeted expenditures for 2020
			Our share of cash expenditures	Budgeted expenditures ¹	
Black Pine	100%	gold	\$ 4,703	\$ 4,710	\$ 6,305
Goldstrike	100%	gold	\$ 1,406	\$ 1,374	\$ 471
Total			\$ 6,109	\$ 6,084	\$ 6,776

¹In October 2019, an amended budget was approved by the Company's Board of Directors (the "**Board**"). Amounts shown as budgeted expenditures reflect the amendment.

During the year ended December 31, 2019, we incurred approximately \$10.32 million in total cash administration and exploration expenditures against a budget over the same period of \$10.14 million, with the difference primarily due to higher wages and salaries due to a bonus payment made in the year, and higher drilling costs at Kinsley than anticipated.

Black Pine (100% owner and operator)

The Black Pine property is a past-producing, heap leach gold mine located in southeastern Idaho, between Utah State Highway 30 and Interstate Highway 84. The property includes 494 federal lode claims, covering 3,857 ha with drill-tested oxide gold occurrences throughout. It hosts a large, Carlin-style, sediment-hosted gold system, the surface footprint of which extends over an approximately 12 km² target area.

The Company recovered a large historical digital database subsequent to its purchase that includes drill data for 1,874 holes (191,500 m of drilling), as well as mined topography, blast hole and other mining data, and 4,950 rock and soil samples. The drill hole data set includes collar and survey data, fire assay gold, acid-soluble gold and silver, rock type and alteration, and includes a large number of drill holes with unmined gold intercepts. In 2018 we completed a two-year data compilation and verification project including a preliminary 3D model.

The receipt of a new PoO in February 2019 allows the Company to explore the 7.3 km² core of the gold system. A total of up to 141 acres (0.57 km²) can be disturbed under the permit, including up to 49 km of new roads and 351 drill pads, subject to a staged annual reclamation plan. The main gold zone encompassing the historic Black Pine Mine is not subject to seasonal closures and can be accessed year-round, weather and road conditions permitting. An application was made in January 2020, for an amendment to add an additional 4.3 km² to the PoO Project area.

The 87 RC drill holes totalling 22,791 m drilled in 2019 were designed for infill, validation of historical results, and to extend historically drilled gold mineralization into a prospective areas adjacent to and beneath historical drilling, starting with a Focus Area between the historic A Pit, B Pit and A Basin target, an area of shallow gold mineralization that was drill tested but never mined. Drilling identified two new discoveries, Discovery 1 and Discovery 2, extending gold mineralization along stratigraphic and structural control surfaces between the pits and the A Basin target.

The results from the 2019 drill program have all been released, including some of the longest and highest-grade unmined intercepts on the Black Pine Property. Highlights include¹⁰:

At Discovery 1:

- **1.78 g/t Au** over **47.2 m** including: **3.24 g/t Au** over **22.9 m**, **9.99 g/t Au** over **3.0 m** and **5.73 g/t Au** over **1.5 m**, in LBP021,
- **2.56 g/t Au** over **41.1 m** including: **4.47 g/t Au** over **19.8 m** and **8.76 g/t Au** over **4.6 m**, in LBP029, and

At Discovery 2:

- **4.39 g/t Au** over **53.3 m**, including: **5.76 g/t Au** over **38.1 m** and **12.05 g/t Au** over **12.2 m**, in LBP043,
- **3.40 g/t Au** over **62.5 m**, including: **5.01 g/t Au** over **33.5 m** and **6.21 g/t Au** over **21.3 m**, in LBP064,
- **3.14 g/t Au** over **44.2 m**, including: **6.53 g/t Au** over **16.8 m** and **11.3 g/t Au** over **7.6 m**, in LBP062,
- **2.10 g/t Au** over **61.0 m**, including: **6.33 g/t Au** over **10.7 m** and **16.2 g/t Au** over **3 m**, in LBP088,
- **2.51 g/t Au** over **41.1 m**, including: **6.69 g/t Au** over **7.6 m** and **9.11 g/t Au** over **4.6 m**, in LBP051,
- **1.52 g/t Au** over **57.9 m**, including: **2.92 g/t Au** over **15.2 m** and **14.7 g/t Au** over **1.5 m**, in LBP066,

¹⁰ See press release dated January 7, 2020, and press releases in 2019 dated May 29, June 19, July 15, July 31, September 12, October 1, and October 15 for drill results from the 2019 drill program.

- **1.15 g/t Au** over **70.1 m** including: **2.92 g/t Au** over **15.2 m** and **14.7 g/t Au** over **1.5 m**, in LBP066, and
- **0.94 g/t Au** over **100.6 m** in LBP054.

With respect to the Discovery 1 zone, these holes demonstrate that a northwest-trending corridor hosting relatively high-grade oxide gold mineralization is present in a 500 m-wide gap between an area of known gold mineralization (A Basin) and the historic B pit. It is located at the intersection of a favourable stratigraphic host horizon and a moderate angle fault zone. Collectively, the zone is approximately 1000 m long and at least 150 m wide, open for extension laterally to the northwest and southeast. Based on results to date, the Discovery 2 zone is wider and higher grade than the Discovery 1 zone, merging with mineralization in the west highwall of the historic A Pit, located approximately 600 m to the east. In addition to helping define a future resource, the information from this drilling will be invaluable in defining structural and stratigraphic controls on mineralization, which in turn can be used to target other areas of the property.

A 1,250 m large diameter core drilling program was also completed during 2019 in order to obtain material for metallurgical column testing, specific gravity measurements, and mineralogical, structural and stratigraphic studies. The core holes were designed to sample a wide range of grades and rock types, primarily within the Discovery 1 zone, with one hole in the Discovery 2 zone and one testing historical drilling in the Rangefront Target, located 3.1 km southeast of the Discovery 1 and 2 zones. Highlights include¹¹:

- **2.92 g/t Au** over **55.9 m** including: **5.64 g/t Au** over **22.1 m** and **12.4 g/t Au** over **7.3 m** in LBP067C,
- **2.43 g/t Au** over **15.5 m** including: **5.56 g/t Au** over **6.1 m** and **8.10 g/t Au** over **3 m** in LBP078C, and
- **1.84 g/t Au** over **23.2 m** including **2.79 g/t Au** over **13.7 m** in LBP073C.

Weighted average cyanide solubility for the primary high-grade interval in LBP067C is 95%, and for LBP087C, 94%. Results from metallurgical column testing are expected to be received in Q3, 2020.

Activities at Black Pine during the year ended December 31, 2019, including non-cash items, totalled \$4.80 million, including: wages and salaries (\$0.66 million), drilling and assays (\$3.20 million), and other additional expenditures (\$0.87 million). Total cash expenditures of \$4.70 million were in line with the \$4.71 million budgeted for the year ended December 31, 2019.

Goldstrike (100% owner or controlled, and operator)

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. Historical exploration and mining within the property culminated with the operation of the Goldstrike mine, which from 1988 to 1996 produced oxidized disseminated-gold by heap-leach recovery from 12 open-pits. Historical mining records document a total of approximately 210,000 ounces of gold and 198,000 ounces of silver recovered from approximately 6.9 million tons of ore. The database includes historical exploration and mining records, including a large number of shallow drill holes with unmined oxide gold intercepts, and numerous untested gold targets. The property totals 7,261 ha in size and currently includes 856 owned and leased federal lode claims on Bureau of Land Management (“BLM”) land, 43 leased patented claims and private parcels, and two Utah State leased parcels.

Goldstrike Resource

In February 2018 the Company published a maiden resource estimate (the “**Goldstrike Resource**”)¹² based on drilling results to the end of 2017 covering portions of the Main, Dip Slope, Peg Leg and Western zones. The Goldstrike Resource estimate was subsequently restated to reflect a cut-off grade of 0.20 g/t Au (compared to 0.25 g/t Au) as a result of economic considerations discussed in the Preliminary Economic Assessment (“**PEA**”) and now consists of: an indicated resource of 925,000 ounces of gold at an average grade of 0.50 g/t Au (57,846,000 tonnes); and an inferred resource of 296,000 ounces of gold at an average grade of 0.47 g/t Au (19,603,000 tonnes)¹³. The effective date for the data used in the resource estimate remains February 8, 2018, and all other parameters remain the same.

¹¹ See press release dated January 16, 2020

¹² See the “Independent Technical Report and Resource Estimate for the Goldstrike Project, Washington County, Utah, USA” effective February 8, 2018 and signed March 21, 2018 authored by Independent Qualified Persons David Rowe, CPG, of SRK Consulting (Canada) Inc., James N. Gray, P.Geo, of Advantage Geoservices and Gary Simmons, MMSA of GL Simmons Consulting LLC, and is in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. The report is available under the Company’s profile at www.sedar.com and is also available on the Company’s website at www.libertygold.ca.

¹³ See the “Preliminary Economic Assessment and Independent Technical Report for the Goldstrike Project, Washington County, Utah USA”, effective February 8, 2018 and dated July 16, 2018 co-authored by Independent Qualified Persons Bob McCarthy, P.Eng. Valerie Sawyer, P.Eng. David Rowe, CPG and

Goldstrike PEA

A PEA at Goldstrike was published on July 10, 2018 providing a strong, base-case economic scenario upon which to expand the scope and scale of the project with ongoing drilling. The PEA confirms the potential for a modest capital intensity, low operating cost, open-pit, run-of-mine, heap-leach operation, with a 7.5 year mine life and highly attractive economics.

The PEA was prepared by SRK Consulting (Canada) Inc., of Vancouver, British Columbia, Golder Associates Inc. of Reno, Nevada, Kappes Cassiday and Associates of Reno, Nevada, Advantage Geoservices of Osoyoos, British Columbia and GL Simmons Consulting LLC of Larkspur, Colorado.

The PEA is preliminary in nature and includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Important project metrics are presented in the following tables:

Assumptions	
Gold Price	\$1,300/oz
Production Profile	
Total Tonnes of Mineralized Material Mined and Processed	59.3 million tonnes
Total Tonnes Waste Mined	70.6 million tonnes
Head Grade	0.48 grams per tonne ("g/t")
Mine Life	7.5 years
Tonnes per Day Mineralized Material Mined	22,500 tonnes per day
Strip Ratio (Waste: Mineralized Material)	1.2:1
Average Gold Recovery	78%
Total Gold Ounces Mined	915,516 troy ounces ("oz")
Total Gold Ounces Recovered	713,000 oz
Average Annual Gold Production	95,000 oz
Peak Annual Gold Production	117,855 oz
Unit Operating Costs	
Life of Mine ("LOM") Average Cash Cost ¹	\$642/oz
LOM Average Adjusted Cash Cost ²	\$675/oz
LOM Cash Cost plus All-in Sustaining Cost ("AISC") ³	\$793/oz
Project Economics	
Royalties (estimate; royalties differ slightly by location and gold price)	2.50%
Pre-tax NPV _{5%} / After-Tax NPV _{5%}	\$176.2 million/\$129.5 million
Pre-tax IRR/ After-Tax IRR	34.8%/29.4%
Undiscounted Operating Pre-Tax Cash Flow/After-Tax Cash Flow	\$259.3 million/\$195.5 million
After-Tax Payback Period	2.3 years

¹Includes mining cost, mine-level G&A, leaching and refining cost; ²Includes the above plus royalties; ³Includes the above plus sustaining and closure costs

Capital Requirements	Initial	LOM
Mining Capital	\$23.50 million	\$61.30 million
Total Infrastructure Capital	\$31.40 million	\$35.10 million
Total Processing Capital	\$48.30 million	\$68.40 million
Closure Costs	-	\$20.00 million
Owners Costs	\$10.00 million	\$10.00 million
Total Capital Costs	\$113.20 million	\$194.80 million

The PEA Study utilizes open pit mining with mine planning based on economic pit shells generated by mine planning software. Mine production is planned at 22,500 tonnes per day or 8.2 million tonnes per year of leach feed (mineralized) material. With an average waste to leach feed material strip ratio of 1.2 to 1, the average mining rate is approximately 50,000 tonnes per day of leach feed and waste material. The open pit mining at Goldstrike was designed utilizing an owner-operated, conventional mine fleet of front end loaders and trucks.

PEA Sensitivities

The PEA examines the effect on NPV_{5%} of up to a 40% increase or decrease in capital and operating expenditures. NPV_{5%} is strongly influenced by the price of gold. The following tables show the effect of gold price on the IRR and NPV. The base case is shaded grey.

Post-tax IRR in %		Gold Price/oz				
		\$900	\$1,100	\$1,300	\$1,500	\$1,700
Operating Cost	-40.0%	19.5%	32.9%	44.5%	55.2%	64.9%
	-20.0%	9.2%	24.6%	37.3%	48.5%	58.9%
	0.0%	-3.7%	15.2%	29.4%	41.5%	52.4%
	20.0%	N/A	3.8%	20.7%	34.0%	45.6%
	40.0%	N/A	-13.3%	10.5%	25.8%	38.3%

NPV in \$millions		Discount Rate				
		0.0%	5.0%	6.0%	7.0%	8.0%
Gold Prices	-20.0%	\$56.8	\$23.5	\$18.3	\$13.4	\$8.9
	-10.0%	\$126.2	\$76.7	\$68.8	\$61.5	\$54.7
	0.0%	\$195.5	\$129.5	\$119.0	\$109.3	\$100.2
	10.0%	\$264.7	\$182.2	\$169.1	\$156.9	\$145.5
	20.0%	\$333.9	\$235.0	\$219.2	\$204.5	\$190.7

Project Enhancement Opportunities

The PEA demonstrates the potential economic viability of the Goldstrike Project. The PEA also outlines a number of opportunities for Project Enhancement, including additions to the resource base, consideration of the silver endowment, and optimization of the miner plan. The PEA excludes the impact of the 2018 and 2019 drill results.

Exploration

In May 2019, we announced the results of our phase 2 metallurgical testing, providing additional support for a simple heap leach mining scenario¹. Gold extractions from 29 column tests from the western and northern portions of the deposit were rapid and >80% of the leachable gold was extracted within 10 days, with final column leach gold extractions ranging up to 95%. The Phase 2 metallurgical testing brings the total number of oxide column tests for the property to 49.

In October 2019, we announced the results of the 2019 drill program, focused on extensions to gold mineralization in three portions of the resource area, the Western, Main and Dip Slope Zones, for the purpose of further resource delineation. Highlights include¹⁴:

- **1.40 g/t Au over 19.8 m** including **2.79 g/t Au over 9.1 m** in PGS713
- **1.15 g/t Au over 27.4 m** including **3.39g/t Au over 6.1 m** in PGS733

The 2019 drill program demonstrated that mineralization in the resource model is open to extension. Work is currently underway pursuant to an update to the Goldstrike resource estimate, incorporating drill data from 2018 and 2019.

For the year ended December 31, 2019, expenditures, including non-cash items, at Goldstrike totalled \$1.44 million, including: wages and salaries (\$0.26 million), drilling and assays (\$0.43 million), and other additional expenditures (\$0.43 million). Total cash expenditures at Goldstrike of \$1.41 million are higher than the \$1.37 million budgeted for the year ended December 31, 2019, due to wages and salaries that exceeded budgeted due to a bonus payment made in the year that was allocated based on employees' time spent on the project.

Kinsley (79.9% 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 five leased patents totalling 4,187 hectares, Kinsley has a stratigraphic, structural, and mineralization style similar to other sediment-hosted gold systems in the eastern Great Basin. As at December 31, 2019, Liberty Gold's interest in Kinsley was approximately 79.1%. Intor Resources Corporation ("**Intor**") held the remaining 20.9% interest. On January 6, 2020, Intor announced that they would not fund the cash call relating to the 2019 program and budget, and were to be diluted, commensurate with the amount of the cash call relative to total expenditures to date, to 20.1%; thereby increasing the Company's corresponding interest in Kinsley to 79.9%.

¹⁴ See press release dated October 15, 2019

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 for extension 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 gold, could be produced via flotation. Recoveries of up to 95% are achieved when combined with leaching of the tails.

During 2019, we drilled 822m in three RC holes and carried out extensive reclamation work. For the year ended December 31, 2019, expenditures, including non-cash items, at Kinsley totalled \$0.63 million, including Intor's 20.9% share. Cash expenditures include: wages and salaries (\$0.52 million), drilling and assays (\$0.21 million), and other additional expenditures (\$0.10 million). Total cash expenditures at Kinsley of \$0.52 million are higher than the \$0.41 million budgeted for the year ended December 31, 2019, due primarily in overages in drilling costs.

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. Teck Madencilik Sanayi Ticaret A.Ş. ("**TMST**"), a subsidiary of Teck, is our joint venture partner at TV Tower and holds the remaining 40% of Orta Truva. On February 2, 2020 TMST informed the Company that they would not fund their share of the 2020 program and budget, leading to a dilution in TMST's interest in Orta Truva from 40% to approximately 39.7%; accordingly, Liberty's interest in Orta Truva was increased to approximately 60.3%.

To date, we have identified a contiguous area greater than 50 km² of epithermal and porphyry-related alteration across this gold-silver-copper district. The principal focus of the Company has been on i) the Kayalı-Karaayı zone at the southern end of the tenure, host to a largely contiguous, oxidized epithermal gold system stretching over 4 km east to west, and the Valley and Hilltop copper-gold porphyries, and ii) the large silver-gold resource at KCD in the north. There remain multiple untested targets across the rest of the tenure.

The budget at TV Tower for the year ended December 31, 2019 was \$0.50 million (our share: \$0.30 million), and includes field exploration activities, permitting and tenure management costs, and community and social relations activities. For the year ended December 31, 2019, our share of expenditures, including non-cash items, totalled \$0.27 million.

Halilağa (40% owner, non-operator)

On July 12, 2019, the Company announced the signing of a definitive agreement to sell the Halilağa porphyry copper gold deposit in Turkey¹⁵ to Cengiz Holdings A.Ş. ("**Cengiz**") (the "**Halilağa Agreement**"). The Company's interest in Halilağa is held through a 40% shareholding in Truva Bakır Maden İşletmeleri A.Ş. ("**Truva Bakır**"). TMST is project operator and holds the remaining 60% of this Turkish entity. Pursuant to the terms of the Halilağa Agreement, the Company and TMST have agreed to jointly sell their 100% interest in Truva Bakır to Cengiz for \$55 million cash, to be paid in stages over a two-year period and apportioned pro-rata to their ownership interests. The Company will receive a total of \$22 million in accordance with its 40% interest. Cengiz will acquire the Halilağa property by purchasing the shares in Truva Bakır (the "**Halilağa Transaction**").

Closing of the Halilağa Transaction is expected in August 2020 and is subject to customary conditions including the approval of the Turkish Ministry of Energy and Natural Resources.

*The Company has delineated mineral resources at each of Goldstrike, Kinsley, TV Tower (Küçükdağ) ("**KCD**") and Halilağa (Kestane). The Company's Black Pine project and other targets on its property interests are at an earlier 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.*

¹⁵ See press release dated July 12, 2019

Non-GAAP Measures and Other Financial Measures

This MD&A presents certain financial performance measures, including AISC, cash cost and total cash cost that are not recognized measures under International Financial Reporting Standards (“IFRS”). This data may not be comparable to data presented by other issuers. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing comparisons between periods. Non-GAAP financial performance measures should be considered together with other data prepared in accordance with IFRS. This MD&A contains non-GAAP financial performance measure information for a project under development incorporating information that will vary over time as the project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-GAAP financial performance measures.

SELECTED FINANCIAL INFORMATION

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 Company’s Board of Directors (the “**Board**”) approved the Annual Financial Statements and MD&A.

The Annual Financial Statements and the consolidated financial statements for the years ended December 31, 2018 and December 31, 2017 have been prepared using accounting policies in compliance with IFRS, as issued by the International Accounting Standards Board (“**IASB**”), taking into account certain exceptions as detailed under the section ‘*Change in accounting policy and restatement of comparatives*’.

Presentation

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

The Company operates in one segment – the exploration 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.

Change in accounting policy

Leases

Summary of changes

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

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

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

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

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

Lease liabilities

The Company has adopted IFRS 16 retrospectively from January 1, 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. On transition to IFRS 16, the Company recognized \$727,421 of right-of-use assets and \$727,421 of lease liabilities. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 8.9%. The following reconciliation to the opening balance for lease liabilities as at January 1, 2019 is based upon the operating lease commitments as at December 31, 2018:

Operating lease commitments at December 31, 2018	\$ 1,066,012
Discounted using the incremental borrowing rate at January 1, 2019	8.9%
Finance lease liabilities recognized as at December 31, 2018	\$ 889,342
Recognition exemption for:	
Short-term leases	-
Leases of low-value assets	(2,205)
Scope changes due to IFRS 16	(159,716)
Lease liabilities at January 1, 2019	\$ 727,421
Less: Current portion	(185,317)
Long-term lease liabilities at January 1, 2019	\$ 542,104

Our significant lease arrangements consist of contracts for leasing office premises and leased vehicles. As at December 31, 2019, \$557,482 of right-of-use assets are recorded as part of plant and equipment.

Results of Operations

The following financial data (in \$ millions, except per share amounts) are derived from our consolidated financial statements for the three years ended December 31, 2019, 2018 and 2017 respectively:

	2019	2018	2017
Total revenues	\$nil	\$nil	\$nil
Net loss for the year and attributable to shareholders	\$11.58	\$11.17	\$12.71
Basic and diluted loss per share and attributable to shareholders	\$0.05	\$0.06	\$0.08

Year ended December 31, 2019 vs. Year ended December 31, 2018

Losses from operations for the year ended December 31, 2019 of \$11.58 million were higher than the \$11.17 million in losses incurred in the comparative period, due primarily to increased exploration and evaluation expenditures, wages and benefits, and depreciation, offset by lower office and general expenditures and lower foreign exchange losses. The largest contributors to the loss during the year ended December 31, 2019 are exploration and evaluation, wages and benefits, stock based compensation, and office and general expenditures which combined comprise \$10.67 million of the overall loss; these same four categories are the largest contributors to the loss for the year ended December 31, 2018 (combined \$10.24 million).

Net cash operating outflows were \$5.94 million in the year ended December 31, 2019; they were lower compared to \$9.77 million in the comparative period, and the budgeted amount of \$10.14 million, mainly due to the \$4.00

million non-refundable contribution received from Cengiz being recorded as a current liability as at December 31, 2019.

Exploration and evaluation expenditures

Exploration and evaluation expenditures during the year ended December 31, 2019 totalled \$7.03 million and \$6.91 million during the comparative period in 2018. The increase primarily reflects expenditures at Black Pine of \$4.80 million as compared to \$0.65 million in the comparative period, partially offset by a decrease of expenditures at Goldstrike where \$1.44 million was spent in 2019 as compared to \$4.84 million in the same period in 2018.

Wages and benefits

Certain office and general expenditures incurred in Canada and wages and benefits relating to certain Canadian personnel are incurred on a cost-recovery basis through an administration and technical services agreement (the "**Oxygen Agreement**") with Oxygen Capital Corporation ("**Oxygen**"), a related party (see also in this MD&A, "Related Party Transactions").

A significant portion of our remuneration costs are included in exploration expenditures based on the nature of the work undertaken in the period. Wages and benefits included under the heading of exploration expenditures totalled \$1.08 million for the year ended December 31, 2019, compared to \$1.43 million in the comparative period in 2018.

Un-allocated wages and benefits for the year ended December 31, 2019 totalled \$1.64 million, compared to \$1.31 million in the comparative period in 2018. The increase in expenditure is largely attributable to staff bonuses paid in the current period, a portion of which was allocated to administrative expenses.

Office and General

Office and general expenditures for the year ended December 31, 2019 totalled \$0.75 million, which was lower than the respective comparative period at \$1.12 million due primarily to decreases in office rent expenditures related to the adoption of IFRS 16.

Stock-based compensation

The expense reflects (i) the relative value of grants of employee stock options ("**Options**") to purchase common shares of the Company ("**Common Shares**"), Restricted Share Units ("**RSUs**") and Deferred Share Units ("**DSUs**") during prior periods, and (ii) the diminishing impact of Options granted in prior periods as they vest. Stock-based compensation expense should be expected to vary from period to period depending on several factors, including whether Options, RSUs or DSUs are granted in a period, and the timing of vesting or cancellation of such equity instruments.

Stock-based compensation expense for the year ended December 31, 2019 totalled \$0.98 million (December 31, 2018: \$0.90 million). The total expense is higher than in the comparative period due to three stock option grants in 2019 (75,000, 75,000 and 4,430,000 in July, October and December, respectively) as compared to two stock option grants in 2018 (150,000 and 2,472,500 in June and December, respectively). Also attributable to the vesting of Options issued in prior years, and the higher fair value on issue for the 2019 grants. Partially offset by a decrease in total RSUs issued in 2019 as compared to 2018, and a decrease in the number of RSUs that vested immediately in 2019 as compared to the same period in 2018. These amounts do not include values recorded as part of exploration expenditures (\$0.15 million in the year ended December 31, 2019 and \$0.46 million in the year ended December 31, 2018).

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 comprehensive loss

The net balance of other comprehensive loss consists of the impact of exchange gains and losses from the translation of our operations with a non-USD functional currency.

The Canadian dollar appreciated 4.7% relative to the value of the USD in the period between January 1, 2019 and December 31, 2019 (during the same period of the comparative year it depreciated 7.8%). As a result, for the year ended December 31, 2019, foreign exchange gains on translations of \$0.16 million were recognized

(December 31, 2018: foreign exchange losses of \$1.17 million). The impact from exchange differences will vary period to period depending on the rate of exchange.

Financial Position

The following financial data (in \$ millions) are derived from our Annual Financial Statements as at December 31, 2019 and our consolidated financial statements at December 31, 2018 and December 31, 2017:

	December 31, 2019	December 31, 2018	December 31, 2017
Total assets	\$42.11	\$35.08	\$30.01
Non-current financial liabilities	\$0.39	\$0.15	\$0.16
Cash dividends declared	\$nil	\$nil	\$nil

Total assets

The \$7.03 million increase in total assets as at December 31, 2019 compared to December 31, 2018 reflects net receipt of \$11.10 million from the 2019 Bought-Deal (see below), the receipt of the \$4.00 million non-refundable contribution received from Cengiz and the recognition of right of use assets as a result of the adoption of IFRS 16 on January 1, 2019, partially offset by cash expenditures including primarily, exploration and evaluation, wages and benefits, and stock-based compensation expenditures of \$9.92 million in aggregate.

Non-current financial liabilities

At December 31, 2019, and December 31, 2018, our non-current liabilities include (i) estimates for 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. At December 31, 2019, non-current liabilities also include the non-current lease liability recognized as a result of the adoption of IFRS 16 on January 1, 2019. The increase in non-current liabilities as at December 31, 2019 is due primarily to the lease liability recognized of \$0.37 million, offset by a decreased severance accrual in Turkey as at December 31, 2018, following personnel changes which occurred in 2018. As at December 31, 2019, a deferred tax liability of \$1.61 million was recognised in Orta Truva (December 31, 2018: \$1.39 million), arising from foreign exchange on the tax basis of our assets held in Turkey. This is not classified as a financial liability.

Shareholders' equity

On September 10, 2019, the Company closed a bought-deal private placement (the "**2019 Bought-Deal**") with a syndicate of underwriters (the "**Underwriters**") whereby the Underwriters purchased, on a bought-deal basis, 28,800,000 Common Shares of the Company at a price of C\$0.55 per Common Share for gross proceeds to the Company of \$12.03 million (C\$15.84 million).

During the year ended December 31, 2019, 1,674,000 RSUs were converted into Common Shares on vesting. There were 954,193 RSUs granted during the period with a fair value of C\$0.85; no DSUs were granted during the period. 4,580,000 Options were granted during the same period, 75,000 Options were granted to an employee the Company with an exercise price of C\$0.70, and 4,430,000 Options granted to employees of the Company with an exercise price of C\$0.85, each grant vesting in thirds over three years. A further 75,000 Options were granted to a consultant of the Company with an exercise price of C\$0.66 and vested immediately,

2,457,750 Warrants were exercised during the year ended December 31, 2019, at a weighted average exercise price of C\$0.61.

Refer also to discussion in this MD&A under heading, "Outstanding Share Data". The Company has not declared any dividends since incorporation and does not expect this will change in the near future.

SUMMARY OF QUARTERLY RESULTS

The following information (in thousands of \$, except per share amounts) is prepared on a consistent basis with IFRS applicable to interim financial reporting including IAS 34, and is derived from, and should be read in conjunction with, our Annual Financial Statements, our consolidated financial statements for the year ended

December 31, 2019 and the interim condensed consolidated financial statements for each of the quarters in 2019 and 2018.

Condensed interim consolidated statements of loss and comprehensive income (loss):

(In 000's of dollars except per share amounts)	Dec 31 2019	Sep 30 2019	Jun 30 2019	Mar 31 2019	Dec 31 2018	Sep 30 2018	Jun 30 2018	Mar 31 2018
Loss attributable to the shareholders:	\$	\$	\$	\$	\$	\$	\$	\$
Loss for the period	(4,401)	(2,931)	(2,834)	(1,416)	(2,023)	(3,488)	(3,246)	(2,411)
Exchange differences on translating foreign operations	123	(197)	108	128	(702)	21	(109)	(381)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.01)

The three months ended December 31, 2019 showed higher losses than in the previous quarter primarily due to increased stock-based compensation expenditures of \$0.73 million which is attributable to the grant of RSUs which vested immediately, and the Options granted to Directors of the Company which also vested immediately. The higher loss is also attributable to wages and benefits of \$0.34 million due to the bonus paid in the period, and higher foreign exchange losses in the period of \$0.31 million. Increases to the loss were partially offset by the change in fair value of other financial assets of \$0.08 million, and decreased exploration and evaluation expenditures of \$0.03 million.

The three months ended September 30, 2019 showed higher losses than in the previous quarter primarily due to increased exploration and evaluation expenditures of \$0.39 million which is attributable to a \$0.82 million increase in exploration activities at Black Pine as a result of two drills operating on the property beginning in July 2019. Partially offset by decreased exploration and evaluation expenditures at Goldstrike of \$0.38 million, a \$0.16 million foreign exchange gain, and a \$0.04 million change in fair value of other financial assets.

The quarter ended June 30, 2019 showed higher losses than in the previous quarter primarily due to increased exploration and evaluation expenditures of \$1.29 million as a result of the commencement of the Black Pine and Goldstrike RC drill programs on April 23, 2019. A \$0.14 million change in fair value of other financial assets also contributed to the overall loss for the quarter, offset by a \$0.04 million decrease in stock-based compensation costs due to the vesting of the final tranche of the December 18, 2017 RSU grant on March 31, 2019.

During the three months ended March 31, 2019, exploration expenditures of \$0.67 million, wages and benefits of \$0.36 million, office and general of \$0.18 million and stock-based compensation of \$0.08 million were the largest contributors to the loss. In comparison to the previous quarter, the loss has decreased by \$0.61 million, primarily as a result of fewer exploration and evaluation expenditures in the first quarter of 2019. Also contributing to the decrease in loss is the \$0.08 million stock-based compensation expense for the three months ended March 31, 2019 as compared to \$0.22 million in the comparative period. The change is due to the December 18, 2018 RSU grant which vested immediately

Exploration expenditures of \$1.23 million, stock-based compensation of \$0.49 million and wages and benefits of \$0.32 million were the largest contributors to the loss during the three months ended December 31, 2018. Stock based compensation contributed to the loss as a result of the December grant of Options, DSUs and RSUs, 2,140,000 of which vested immediately. These increases to the loss were offset by lower exploration and evaluation expenditures as a result of the Goldstrike drilling program moving towards completion in December 2018, and \$0.06 million decrease in wages and benefits as a result of a one-time severance payment following personnel changes in the three months ended September 30, 2018.

The three-month period ended September 30, 2018 showed higher losses than in the previous quarter primarily due to an increase in wages and benefits and professional fees expenditures of \$0.07 million and \$0.03 million respectively, due to a one-time severance payment following personnel changes and increased legal expenditures. A \$0.02 million loss on the sale of other financial assets and a \$0.24 million increase to the income tax expense over the prior quarter also contributed to the loss; this was offset by a \$0.03 million foreign exchange gain, \$0.01 million decrease in stock based compensation and a decrease of \$0.03 million in investor relations, promotion and advertising expenditures.

The quarter ended June 30, 2018 showed higher losses than in the previous quarter primarily due to increased exploration and evaluation expenditures of \$0.86 million as a result of the RC drill program at Kinsley which

began on April 3, 2018 and was completed on May 19, 2018, completion of the core drill program at Goldstrike on April 26, 2018, and commencement of the Goldstrike RC drill program on April 26, 2018, with two drills operating on the property from mid-May to June 2018. A \$0.10 million increase in foreign exchange losses also contributed to the loss for the quarter, offset by a \$0.12 million decrease in stock based compensation expense following the vesting of 775,000 Options, DSUs and RSUs at March 31, 2018, in comparison to one grant of 150,000 Options to a consultant during the three months ended June 30, 2018.

During the three months ended March 31, 2018, exploration expenditures of \$1.31 million, office and general costs of \$0.31 million, wages and benefits of \$0.31 million and stock-based compensation expense of \$0.22 million were the largest contributors to the loss. In comparison to the previous quarter, the loss has decreased by \$1.08 million, primarily as the result of fewer exploration and evaluation expenditures following the completion of the Goldstrike and Black Pine drill programs in December of 2017 and the delayed timing of the Goldstrike RC drill program during the three months ended March 31, 2018, lower stock based compensation expense due to the December grant of Options, DSUs and RSUs, 775,000 of which vested immediately in comparison to no grants during the three months ended March 31, 2018, as well as a decrease in foreign exchange losses.

FOURTH QUARTER

During the three months ended December 31, 2019, there were net cash inflows of \$1.51 million primarily attributable to the receipt of the non-refundable contribution from Cengiz of \$4.00 million. These cash inflows were offset by cash outflows of \$3.95 million from operating activities reflecting exploration and evaluation expenditures, wages and benefits, stock-based compensation, and office and general.

RELATED PARTY TRANSACTIONS

Administration and Technical Services Agreement - Oxygen Capital Corporation

In 2012 the Company entered into an administration and technical services agreement with Oxygen, a related party. Oxygen is a private company currently owned by three directors of the Company (Dr. O'Dea, Mr. McInnes and Mr. Tetzlaff) and enables the member companies to synergise the use resources such as administrative services and staff with no markups. Dr. O'Dea, Mr. McInnes and Mr. Tetzlaff receive no additional remuneration from Liberty resulting from this arrangement, than their fees received as director's of the Company.

The following are the services Oxygen provides the Company, pursuant to the Oxygen Agreement, on a cost-recovery basis, which are invoiced and settled on a monthly basis:

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

Liberty Gold shares a head office with other private and public companies each of which has an arrangement with Oxygen. Oxygen allocates the costs of personnel (plus applicable benefits), assets and infrastructure to the various companies based upon the estimated pro-rated use by personnel on Company activities. Oxygen exists to consolidate employees and office infrastructure in one entity so that costs may be more efficiently allocated. Oxygen does not mark-up costs or charge a fee to the Company.

Employees of Oxygen providing services to the Company do so pursuant to a secondment agreement and take direction from the President & Chief Executive Officer and Chief Financial Officer of the Company. The Chief Financial Officer is an employee of Oxygen, whose salary and applicable benefits are paid by the Company under the same terms as other Oxygen personnel.

Transactions with Oxygen during the year ended December 31, 2019 totalled \$0.69 million. As at December 31, 2019, the Company held a payable to Oxygen of \$0.06 million (paid subsequent to period end) and a deposit of \$0.13 million with Oxygen for use against the final three months of service upon termination of the arrangement.

Compensation of key management personnel

Key management includes members of the Board, the President and Chief Executive Officer, the VP Exploration & Geoscience, the Chief Financial Officer & Corporate Secretary, and the Turkish Country Manager.

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

	Year ended December 31,	
	2019	2018
Salaries, bonuses and other short-term employee benefits	\$1.26	\$0.98
Share-based payments	\$0.71	\$0.76
Total	\$1.97	\$1.74

LIQUIDITY AND CAPITAL RESOURCES

The properties in which we currently have an interest are in the exploration and development stage. We have no revenue-producing operations and earn only minimal income through investment income on treasury, and 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, the Company has approximately \$15.06 million available in cash, cash equivalents, and short-term investments. With no debt, the Company's working capital balance as at the date of this MD&A is approximately \$14.95 million. With the funding received from the 2019 Bought-Deal, the Company's bought deal financing completed on October 2, 2018 (the "**2018 Fall Bought-Deal**") (see below) and expected funds from the closing of the Halilağa Transaction and the Kinsley Transaction, the Company expects to have sufficient funds to meet its exploration expenditure commitments through to the end of 2020. We have not issued any dividends and management does not expect this will change in the near future.

On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration, development, permitting activities, and committed administrative costs, to ensure that adequate levels of working capital are maintained. We believe that this approach, given the relative size of Liberty Gold, is reasonable. Management believes that available funds are sufficient for current planned operations over the next 12 months, assuming no other factors change and with appropriate liquidity management.

2019 Bought-Deal

The successful closing of the 2019 Bought-Deal on September 10, 2019 has provided additional capital to continue to advance our planned exploration programs at Black Pine, Goldstrike and Kinsley as well as maintain our other mineral property interests. The net proceeds raised of approximately \$11.10 million, will be sufficient to fund planned expenditures for 2020 as per the preliminary budgets disclosed in the table below and included under the section entitled "Outlook".

Activity or Nature of Expenditure	Approximate Use of Net Proceeds	Actual use of proceeds to December 31, 2019
Exploration and Development of Black Pine	\$6.5	\$1.75
Exploration and Development of Goldstrike	\$1.4	\$nil
Exploration and Development of Kinsley	\$0.6	\$nil
Turkish properties	\$0.5	\$nil
Working Capital	\$2.1	\$0.47
Total	\$11.1	\$2.22

2018 Fall Bought-Deal

The \$8.07 million net capital as a result of closing of the 2018 Fall Bought-Deal has enabled us to continue to advance key projects and maintain our other property interests well into 2019. The approximate use of proceeds from the 2018 Fall Bought-Deal, with reference to the balance of cash and short-term investments at the time, is

outlined in the Company's short form prospectus dated September 26, 2018, and reproduced below (in millions of \$):

Activity or Nature of Expenditure	Approximate Use of Net Proceeds	Actual use of proceeds to December 31, 2019
Exploration and Development of Goldstrike	\$4.1	\$1.61
Exploration and Development of Kinsley	\$1.6	\$0.52
Exploration and Development of Black Pine	\$0.4	\$3.05
Working Capital	\$2.0	\$2.92
Total	\$8.1	\$8.10

During the 2019 budget process, a strategic decision was made to redirect \$2.6 million of funds allocated to the Goldstrike and Kinsley projects to Black Pine, due to the receipt of the new PoO allowing us to explore and develop project potential.

Contractual obligations

Mineral Properties and Capital Expenditures

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

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

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

Kinsley and TV Tower

Pursuant to the respective operating agreements and elections by members to participate or not in funding the 2020 Program and Budget for each project, the Company must incur its pro rata share of the approved budgets for Kinsley and TV Tower. Total approved budget remaining for 2020 for TV Tower is \$0.75 million, TMST have elected not to participate in the 2020 program and budget and the Company will contribute 100% of funding for the year. TMST's interests in TV Tower will be diluted commensurate with the Company's contribution to the project.

The Kinsley Transaction is anticipated to close during Q2 2020 and as such, the Company has not budgeted expenditures at Kinsley for 2020 as under the terms of the Kinsley Agreement, Barrian is expected to cover all minimum expenditures required in order to maintain the lease as described in the next section.

Advance Royalty Payments & Minimum Annual Exploration Expenditures

In accordance with certain underlying lease agreements, we are required to maintain the associated lease agreements in good standing and make advance royalty payments ("**ARPs**") to the underlying property owners of the Kinsley project as well as minimum annual exploration expenditures:

Year	Kinsley ^(b)	
	ARP ^(a)	Minimum Expenditure commitments
2019	\$150,000	\$500,000
2020 and beyond	\$200,000	\$500,000

^(a)Payable to Nevada Sunrise, LLC, a private company, unrelated to Intor.

^(b)Our share of required expenditures is 79.1% of the total shown.

The aggregate advance ARPs will subsequently be credited against future Net Smelter Royalty payments payable from production at the respective property. Under the terms of the Kinsley Agreement Barrian will assume Liberty's portion of the obligation to make lease payments on closing of the Kinsley Transaction.

The Company has met, and continues to incur all such minimum expenditure commitments at the date of this MD&A. Although the annual payments are commitments to the Company as long as we continue to hold these properties, pursuant to the underlying lease agreements, the Company has the right to terminate the lease by giving thirty days advance notice and returning the Company's interest in the property to the underlying property holder.

Leases

Upon adoption of IFRS 16, the Company recognized a right-of-use asset and a lease liability at the lease commencement date for certain contracts. See "Change in accounting policy" in this MD&A for a reconciliation to the opening balance for lease liabilities as at January 1, 2019 based upon the operating lease commitments as at December 31, 2018.

Total future minimum lease payments, for agreements outside the scope of IFRS 16, as at December 31, 2019 are as follows:

Year	
2020	\$0.06 million
2021	\$0.07 million
2022	\$0.04 million
2023+	-
	\$ 0.17 million

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

The Company has an agreement with a third-party to for it's \$2.00 million bond requirements in the United States for surety bonds of the same amount. The bonds are held in favour of the BLM and the United States Forestry Service (the "USFS") as financial support for environmental reclamation and exploration permitting. The surety bonds are secured by a \$0.24 million deposit (as at the date of this MD&A) and are subject to fees competitively determined in the marketplace. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As specific requirements are met, the BLM and USFS as beneficiaries of the different instruments will return the instrument to the issuing entity. As these instruments are associated with ongoing and active exploration properties, they will remain outstanding until the earlier of the date that the Company has discharged its remediation obligations or determines to self-fund the underlying bonding obligations.

Investments

At the effective date of this MD&A, the market value of our portfolio of investment holdings, comprising securities in exploration companies, is \$0.75 million.

Off Balance Sheet Arrangements

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

LEGAL MATTERS

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

CRITICAL ACCOUNTING ESTIMATES

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

Judgments

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

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

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

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

Exploration and evaluation assets and expenditures: The application of the Company's accounting policy for exploration and evaluation assets and expenditures requires judgment to determine whether future economic benefits are probable, from either future development or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production.

Investment in associates: Recoverability of the carrying amount of Liberty Gold's interest in associates is dependent on the sale of the respective assets, or alternatively, successful development and commercial development. Changes in any of the assumptions used in the impairment assessment could materially affect the result of this analysis.

- (iii) *Leases as a result of adopting IFRS 16:* IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. The Company had to apply judgement on certain factors, including whether the supplier has substantive substitution rights, whether the Company obtains substantially all of the economic benefits and who has the right to direct the use of that asset.

IFRS 16 requires that lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The standard defines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use-asset in a similar economic environment. The Company used its incremental borrowing rate when recording leases initially, since information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

- (iv) *Assets held for sale classification:* Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. The Company applies judgment in determining whether certain non-current assets meet the highly probable criteria at the reporting date. We have determined that it is not highly probable that the sale will be completed within one year from the date of classification due to a variety of considerations, including the receipt of required regulatory approvals.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on

parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

The publication of a resource pursuant to NI 43-101, is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Company defers its exploration and evaluation expenditures. Any such estimates and assumptions may change as new information becomes available. If information becomes available suggesting the recovery of acquisition costs is unlikely, the relevant capitalised amount is written off in the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

- (ii) *Fair value measurement of consideration received for the sale of Halilağa:* The Company has applied estimates in determining the fair value of the \$4 million consideration received from Cengiz as a non-refundable contribution towards the sale of Halilağa, and its classification as a financial instrument at fair value through profit and loss.

Risks Associated with Financial Instruments

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

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. We manage our capital in order to meet short term business requirements, through preparation and management of detailed budgets, taking into account cash flows from operations, expected capital expenditures and our holdings of cash and cash equivalents. We may from time to time have to issue additional Common Shares to ensure there is sufficient capital to meet our long-term objectives. Our financial liabilities of trade payables and accrued liabilities are payable within a 90-day period and are expected to be funded from the available balance of cash and short-term investments.

Market Risk

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

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

A 10% increase or decrease in the exchange rate of the USD relative to the C\$ would result in a \$0.52 million increase or decrease respectively in the Company's cash and short-term investment balance as at December 31, 2019. Although our exposure relating to operating activity in Turkey from fluctuations of the TL remains minimal given the nature, type, and currency of expenditure (USD), recent volatility in that currency relative to the USD has increased the potential for an impact on the Company's cash and short-term investment balances. We have not entered into any derivative contracts to manage foreign exchange risk at this time.

Credit Risk

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

Interest Rate Risk

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

OUTSTANDING SHARE DATA

There were 239,282,259 Common Shares and 38,905,213 Warrants issued and outstanding as at December 31, 2019, and 243,608,259 Common Shares and 35,200,213 Warrants issued and outstanding as at the date of this MD&A.

As at December 31, 2019, there were 16,637,083 Options outstanding issued to directors, officers, employees, and key consultants of the Company, of which 11,556,083 are exercisable. As at the date of this MD&A there are 16,321,333 Options outstanding issued to directors, officers, employees, and key consultants of the Company, of which 11,240,333 are exercisable

As at December 31, 2019, there were 2,696,693 RSUs outstanding issued pursuant to the Company's RSU plan, of which 2,005,026 had vested and were payable. As at the date of this MD&A there were 2,524,443 RSUs outstanding, of which 1,832,776 had vested and were payable.

As at December 31, 2019 there were 1,683,000 DSUs outstanding and as at the date of this MD&A there were 2,115,499 DSUs outstanding issued, pursuant to the Company's DSU plan.

PROPOSED TRANSACTIONS

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

With the exception of the Halilağa Transaction and Kinsley Transaction and continuing discussions with Teck and various third parties to unlock the value and potential of our remaining Turkish business, there are no proposed asset or business acquisitions or dispositions before the Board for consideration. While we remain focused on our plans to continue exploration and development on our material properties, should we enter into agreements in the future on new properties, we may be required to make cash payments and complete work expenditure commitments under those agreements.

INDUSTRY AND ECONOMIC FACTORS THAT MAY AFFECT OUR BUSINESS

Economic and industry risk factors that may affect our business, in particular those that could affect our liquidity and capital resources, are as described under the heading "Risk Factors" in our AIF, available on the Company's SEDAR profile at www.sedar.com. In particular, there are currently significant uncertainties in capital markets impacting the availability of equity financing for the purposes of mineral exploration and development. There are also significant uncertainties relating to the global economy, economy (including due to the recent outbreak of the novel coronavirus (COVID-19), political uncertainties and increasing geopolitical risk, increased volatility in the prices of gold, copper, other precious and base metals and other minerals, as well as increasing volatility in the foreign currency exchange markets which impact our business and may impact our ability to remain a going concern.

In March 2020, the World Health Organization declared a global pandemic related to the novel coronavirus (COVID-19). The expected impacts on global commerce are anticipated to be far reaching. The mineral exploration sector is expected to be impacted significantly as many local and regional governments have issued public health orders in response to COVID-19, including restricting the movement of people, which could impact the Company's ability to access its properties and complete its exploration programs in the coming year. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company are not yet determinable; however, they may have an adverse impact on the Company's financial position, results of operations and cash flows in 2020. In particular, there may be heightened risk of mineral property impairment and liquidity or going concern uncertainty.

In addition, while the ongoing volatility in the price of gold and copper and continued uncertainties in capital markets do not have a direct impact on the Company's ability to carry out exploration, the Company may be

impacted should it become more difficult to gain access to capital (e.g. debt or equity financing for the purposes of mineral exploration and development) when and if needed, and may need to modify or curtail its exploration and development programs. Difficulty in accessing capital on favourable terms may limit the Company's ability to develop and/or further explore the mineral properties in which we have an interest and may limit our ability to meet capital calls with respect to our associates.

The specific risks noted in our AIF and others in particular relating to permitting for operations, may limit the Company's ability to develop and/or further explore its mineral property interests and may limit the ability of the Company to satisfy expenditure requirements on our material projects.

OTHER RISKS AND UNCERTAINTIES

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

CONTROLS AND PROCEDURES

Internal Controls over Financial Reporting

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

Liberty Gold's officers certify the design of Liberty Gold's ICFR using the Internal Control – Integrated Framework (2013) issued by The Committee for Sponsoring Organizations of the Treadway Commission. Based on a review of its internal control procedures at the end of the period covered by this MD&A, Liberty Gold's Chief Executive Officer and Chief Financial Officer, based on their evaluation as of December 31, 2019, have determined that the Company's internal controls over financial reporting have been effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes to the internal controls over financial reporting that occurred during the year ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

Disclosure Controls and Procedures

Disclosure controls and processes have been designed to ensure that information required to be disclosed by Liberty Gold is compiled and reported to management as appropriate to allow timely decisions regarding required disclosure. Liberty Gold's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of December 31, 2019, that the disclosure controls and procedures are effective in providing reasonable assurance that material information related to Liberty Gold is made known to them by employees and third-party consultants working for Liberty Gold and its subsidiaries. There have been no significant changes in our disclosure controls and procedures during the year ended December 31, 2019.

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

SUBSEQUENT EVENTS NOT OTHERWISE DESCRIBED HEREIN

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

ADDITIONAL INFORMATION

For further information regarding Liberty Gold, refer to Liberty Gold's AIF and other continuous disclosure filings with the Canadian securities regulatory authorities available under Liberty Gold's company profile on SEDAR at www.sedar.com.

APPROVAL

The Audit Committee of the Board has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it of us, and will be posted to our website at www.Libertygold.ca.

(signed) "Cal Everett"

Cal Everett

President and Chief Executive Officer

March 26, 2020

(signed) "Joanna Bailey"

Joanna Bailey

Chief Financial Officer and Corporate Secretary

SCIENTIFIC AND TECHNICAL DISCLOSURE

The written disclosure of technical information in the MD&A has been approved by Moira Smith, Ph.D., P.Geo., Liberty Gold Vice-President Exploration and Geoscience, and a Qualified Person ("QP") for the purposes of NI 43-101. Dr. Smith reviewed and validated that the scientific or technical information contained in this MD&A is consistent with that provided by the QPs responsible for the NI 43-101 Technical Reports for the respective projects, and has verified the technical data disclosed in this document relating to those projects in which the Company holds an interest. Dr. Smith has consented to the inclusion of the Technical Information in the form and context in which it appears in this MD&A. Dr. Smith has verified that the historic data herein, including the results of drilling, sampling, and assaying by previous operators, is reliable. Historic data largely predate the introduction of NI 43-101 and modern QA-QC protocols and therefore there are limitations on the level of verification that can be achieved.

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

- "*Technical Report of the Black Pine Gold Project, Cassia County, Idaho, USA*" effective July 23, 2018 and signed September 7, 2018, prepared by prepared by Michael M. Gustin, CPG, of Mine Development Associates of Reno, Nevada, Moira T. Smith, Ph.D., P.Geo., Vice President, Exploration and Geoscience, Liberty Gold and William A. Lepore, M.Sc., P.Geo., Senior Project Geologist, Liberty Gold. Mr. Gustin is independent of Liberty Gold Corp and all its subsidiaries.
- "*Preliminary Economic Assessment and Independent Technical Report for the Goldstrike Project, Washington County, Utah USA*", effective February 8, 2018 and dated July 16, 2018 co-authored by Independent Qualified Persons Bob McCarthy, P.Eng. Valerie Sawyer, SME, David Rowe, CPG and Neil Winkelmann, FAusIMM of SRK Consulting (Canada) Inc.; Gary Simmons, MMSA of GL Simmons Consulting, LLC; James N. Gray, P.Geo. of Advantage Geoservices Ltd; George Lightwood, SME, Russell Browne, P.E. and Michael Bidart, P.E. of Golder Associates Inc.
- "*Updated Technical Report and Estimated Mineral Resources for the Kinsley Project, Elko and White Pine Counties, Nevada, USA*", effective October 15, 2015, and dated December 16, 2015 as prepared by Michael M. Gustin, CPG, Moira Smith, Ph.D., P.Geo., and Gary Simmons, B.Sc. MMSA;
- "*Independent Technical Report for the TV Tower Exploration Property, Çanakkale, Western Turkey*", effective January 21, 2014, and dated February 20, 2014, as prepared by Casey M. Hetman, P.Geo. with SRK Consulting (Canada) Inc., James N. Gray, P. Geo. of Advantage Geoservices Ltd., and Gary Simmons, BSc, Metallurgical Engineering, of G L Simmons Consulting, LLC; and
- "*Revised Preliminary Economic Assessment Technical Report for the Halilağa Project, Turkey*", effective December 20, 2014 and dated February 16, 2015, as prepared by Gordon Doerksen, P. Eng., Dino Libertyto, P.Eng. and Stacy Freudigmann, P.Eng. of JDS Energy and Mining Inc.; Greg Abrahams, P.Geo and Maritz Rykaart, P.Eng. of SRK; Gary Simmons of GL Simmons Consulting LLC.; Garth Kirkham, P.Geo. of Kirkham Geosystems Ltd.; and James Gray, P.Geo. of Advantage Geoservices Ltd.

and news releases (collectively the "**Disclosure Documents**", each prepared by or under the supervision of a QP) available under the Company's profile on SEDAR at www.sedar.com. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents. Readers are encouraged to review the full text of the Disclosure Documents qualifying the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

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

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

drill core and technical data on site, and to discuss the ongoing program and results at Halilağa with TMST staff. She is satisfied that TMST is meeting industry standards for all levels of exploration work being carried out at Halilağa.

Cautionary Notes Regarding Forward-Looking Statements

This MD&A, contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws, including statements or information concerning, future financial or operating performance of Liberty Gold and its business, operations, properties and condition; the potential quantity, recoverability and/or grade of minerals, the potential size of a mineralized zone or potential expansion of mineralization, proposed exploration and development of Liberty Gold’s exploration property interests and the Company’s anticipated expenditures.

Forward-looking statements and forward-looking information is often, but not always, identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “will”, “projects”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including among other things, the closing of the Halilağa Transaction, the closing of the Kinsley Transaction the receipt of the staged payments, the approval of the Transaction by the Turkish Ministry of Energy and Natural Resources, 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 2019 Bought-Deal and the 2018 Fall 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 or PEAs; the timing and likelihood of deployment of additional drill rigs to our projects, proposed additional metallurgical testing, the timing and amount of estimated future production, illustrative costs of production and mine life of the various mineral projects of Liberty Gold, successful resolution of disputes (if any) and anticipated costs and expenditures, the interpretation and actual results of historical production at certain of our exploration properties, as well as specific historic data associated with and drill results from those properties, and the reliance on technical information provided by our joint venture partners or other third-parties; the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration, acquisition and development activities, estimated exploration budgets and timing of expenditures and community relations activities; Liberty Gold’s ability to fully fund cash-calls made by its joint venture partner for ongoing expenditure at Halilağa; satisfaction of expenditure obligations under any agreements to which the Company is a party, government regulation of mining operations, environmental risks and reclamation expenses, title disputes, the ability to maintain or convert the underlying licences for Halilağa and TV Tower in accordance with the requirements of applicable mining laws in Turkey; government regulation of exploration and mining operations, and the application thereof in accordance with the rule of law, including any restrictions due to the recent pandemic of the novel coronavirus (COVID-19); the timing and possible outcome of regulatory and permitting matters; successful resolution of any challenges to any environmental impact assessments that might arise in the future, the impact of archaeological, cultural or environmental studies within the property areas, anticipated costs and expenditures and our ability to achieve our goals. While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information. Many assumptions are based on factors and events that are not within the control of Liberty Gold and there is no assurance they will prove to be correct.

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

Forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or forward-looking information. Such factors include, among others: general business, economic, competitive, political, regulatory and social uncertainties, including those relating to internal political or military unrest and due to the recent pandemic of the novel coronavirus (COVID-19); fluctuations in and the future price of gold, copper, silver and other metal prices; disruptions or changes in the credit or securities markets and market fluctuations in prices for Liberty Gold’s securities; the timely receipt of regulatory approvals; judgement of management when exercising discretion in their use of proceeds from the 2019 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 including pursuant to the *Canadian Extractive Sector Transparency Measures Act (Canada)*; requirements for future funding to satisfy contractual obligations and additional capital needs generally; uncertainties associated with minority interests and joint venture operations; risks arising from having the majority of the Company's operations occur in foreign jurisdictions, those associated with the Company's indemnified liabilities and the potential for increased infrastructure and/or operating costs or reclamation costs; the risks involved in the exploration, development and mining business generally; and the factors discussed in the section entitled "*Risk Factors*" in the AIF. Although we have attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward looking statements or forward-looking information, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

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

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

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

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