

Liberty's Black Pine May Be One of the Most Strategic Gold Assets in NA | Site Visit

Liberty Gold (LGD.TO)

Cash: US\$37.2M | Market Cap: C\$828M | Share Price: C\$1.53

Shares Outstanding: 540.9M

Options: 16.5M (Avg. C\$0.61)

Warrants: 25.1M (Avg. C\$0.45)

Avg. Volume 90 Day: 1.7M

52 Week High: C\$1.77

52 Week Low: C\$0.29

Black Pine Project
Idaho, USA

CEO, Pres. and Director: Jon Gilligan

VP Exploration: Peter Shabestari

VP Proj. Development: Tyler Cole

Corporate PowerPoint: [Liberty Gold Presentation](#) | Cash, Share/Warrant/option count from May PPT. 16M RSU/DSUs.

Update - Last Friday, we visited Black Pine with a group of analysts and institutional investors. This was our 2nd site visit (1st SV note [HERE](#)). The tour provided more detailed insights into Black Pine and the expanded technical and project development team assembled since CEO Jon Gilligan took over in June 2025. We left site with increased confidence that the upcoming Q4 Feasibility Study (FS) will demonstrate a stronger project than outlined in the PFS, supported by a larger and simplified production profile, a more robust and increasingly de-risked geometallurgical model, continued permitting advancement, and what we view as obvious long-term resource and mine life extension potential. [Permitting remains on track](#) with a Record of Decision (RoD) expected in January 2028.

We continue to believe Black Pine is a highly strategic gold asset and is a top takeover candidate before first production (See M&A Note [HERE](#)). Few NA gold projects offer Black Pine's combination of capex-to-production profile, scale, simplicity, LOM extension potential, permitting visibility, and infrastructure and water availability. LGD has assembled a credible team capable of building the mine itself; however, they could also serve as the project development team for a producer if LGD were acquired. As a result, we continue to view LGD as offering one of the best risk-reward setups in the sector for investors seeking exposure to a [fully funded-to-construction](#), advanced-stage gold development project capable of supporting a long-life +150kozpa Au operation in a Tier 1 jurisdiction.

We have updated our Black Pine model post site visit. Our new model now incorporates higher throughput, slightly reduced grades, and higher capex and opex (see Valuation Section for more detail). Our base case NAV-3500Au for LGD now stands at C\$3.7B (C\$5.55/sh), implying a P/NAV of 0.28x. At US\$4,000/oz Au, NAV increases to C\$4.7B (C\$7.02/sh) with a P/NAV of 0.22x. We believe that as LGD advances Black Pine, they will re-rate towards the multiple of fully permitted single-asset developers such as Perpetua (0.72x) or Skeena (0.71x). If LGD were acquired at the average developer takeout P/NAV of 0.63x we have calculated between 2020-25, it would imply 125% upside in our base case & 195% upside in our spot case.



Figure 1. Left) View looking SE from the Discovery zone. **Right)** View looking north from the Discovery Zone shows a historical waste pile that will need to be moved to mine the Discovery Pit in the FS. Liberty plans to drill waste piles on site to quantify the grade and assess the material's suitability for construction or, possibly, production. FYI, the historical cutoff grade when this material was mined was 0.25 g/t Au or higher, implying some of the waste piles may be above reserve cutoff (0.1 g/t Au). Mgmt. estimates there is ~40Mt of historical waste on site. If 50% were to run 0.2 g/t Au, this would equate to ~130 koz contained. For the Q4 FS, waste piles will be considered waste; however, they represent a potential upside opportunity post-FS. Source: 3L Capital.

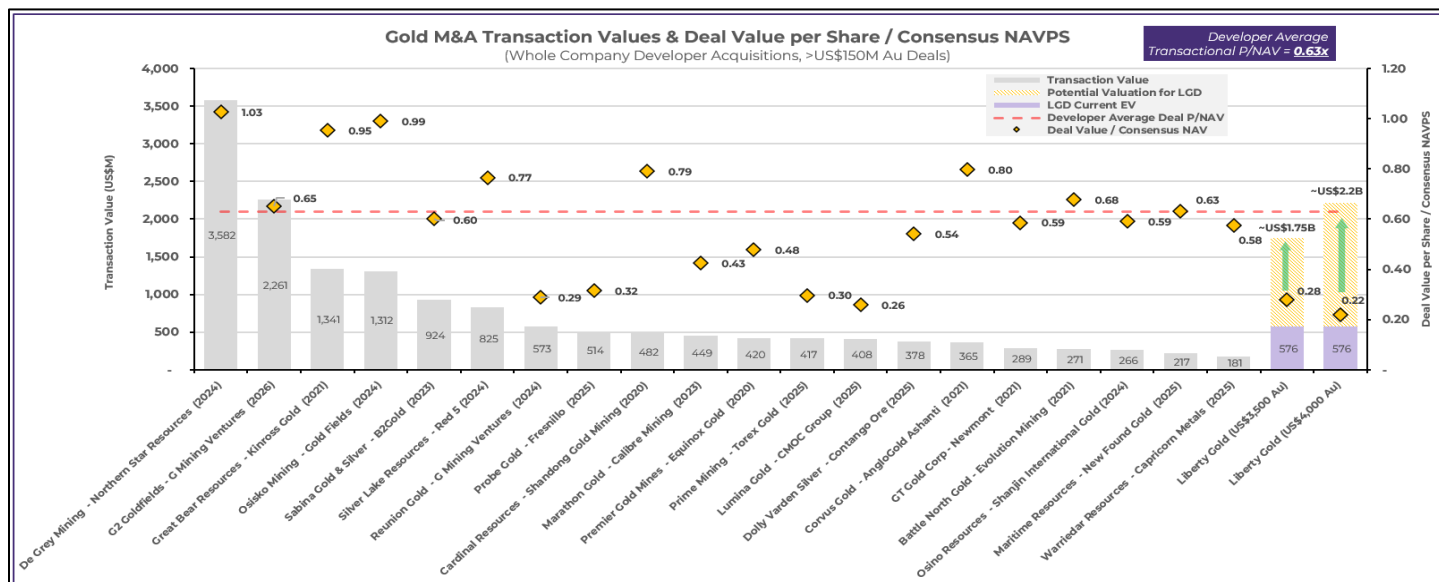


Figure 2. Transaction value & consensus P/NAV multiples of Gold Developer deals >US\$150M. LGD's current EV and potential transaction value, based on a 0.63 P/NAV multiple derived from our NAV, are shown on the right. Source: S&P Cap IQ & 3L Capital.

Site Visit Takeaways

- The Q4 Feasibility Study Will Have a Stronger Production Profile vs the PFS:** We estimate >200kozpa for the first 5 years and >160kozpa over the LOM (PFS = 183kozpa for Yr1-5 & 135kozpa LOM), with the mid-mine production drop in the PFS being eliminated. This will be supported by higher throughput (3L Est. ~65ktpd), a larger resource base (4.9Moz Indicated 2026 vs 4.2Moz 2024), larger pits and a simpler mine plan with fewer simultaneous pits, a more standardized fleet, and likely contract mining for satellite pits. The FS will also include silver (not included in the PFS), generating incremental revenue (~30% of each Au bar will be Ag). We anticipate Capex to increase to US\$400-450M, up from US\$327M in the PFS, due to larger scale and inflation. Expect Opex also to increase.
- Geometallurgical Work Continues to Trend Positively Ahead of FS:** We spent time with Richard Zaggie, Senior Director of Mining & Metallurgy. Richard previously held senior metallurgical roles at SSR Mining's Marigold and Cripple Creek & Victor heap-leach mines (analogues to Black Pine). He was notably bullish, repeatedly emphasizing that Black Pine possesses some of the best heap-leach characteristics he has seen. Black Pine will be classified into distinct geometallurgical domains, with blending parameters established to maintain heap permeability, support recoveries and consistent mine throughput. Ongoing large-scale column testing continues to increase confidence in the recovery model, including at lower-grade ROM sizes. Management indicates the FS reserve cutoff will likely remain at 0.1 g/t Au, with a marginal cutoff near 0.06 g/t Au. Certain domains, particularly the "PPOS" unit at Rangefront, are demonstrating rapid leach kinetics, with some samples achieving 90% recovery within 20 days. Confidence continues to increase around the modelling of carbonaceous and potentially preg-robbing material, with tighter infill drilling expected to reduce the volume of lower-recovery domains within the resource model. Overall, the metallurgical work appears to confirm or improve existing metallurgical assumptions ahead of the FS.
- Black Pine Maintains One of the Clearest Permitting Pathways in the Sector:** Permitting continues to advance on schedule, with the Notice of Completion now received, formally initiating the NOI and EIS process. Public scoping meetings have been held both virtually and in person, with management targeting a draft EIS in early February 2027, a final EIS in November 2027, and a Record of Decision (ROD) in January 2028. Black Pine remains under the [FAST-41 framework](#), with management highlighting that no other FAST-41 mining project has achieved the alignment Black Pine has between federal and state agencies. The permitting process has also been simplified by the USFS assuming a lead agency role, with the project now requiring only one EIS and two RoDs (BLM and USFS). At the state level, cyanidation remains one of the key permits. Importantly, even if permitting timelines were delayed by ~6-8 months, approvals would still fall within the current administration, which we believe helps reduce uncertainty associated with a future change in administration.

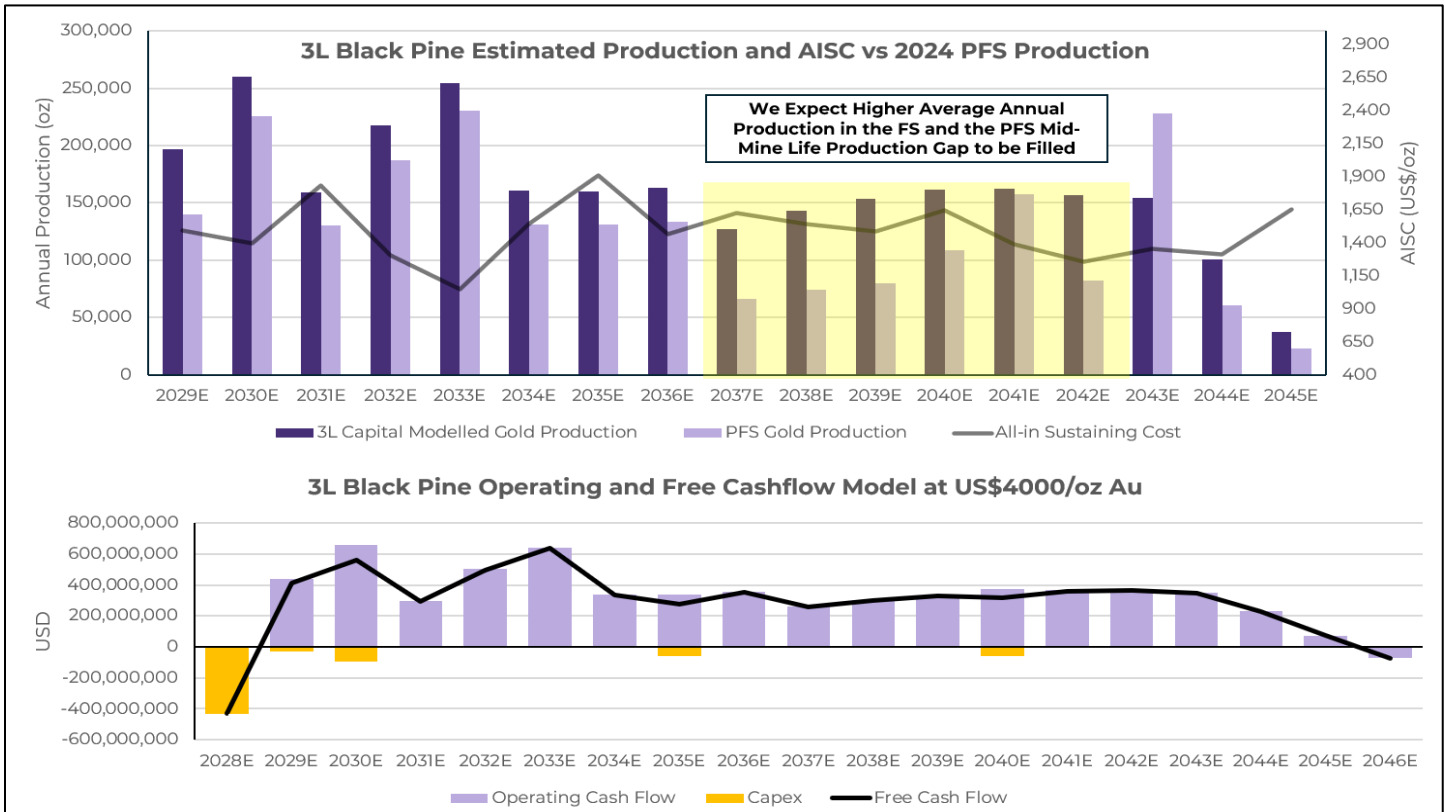


Figure 3. Top) Our updated modelled production at Black Pine (Dark Purple) and AISC for Black Pine vs the 2024 PFS production (Light Purple). **Bottom)** Our estimated operating and free cash flow at US\$4000/oz. Note that we assume production begins in 2029; if construction begins early in 2028, LGD could be producing gold in Q4 of the same year. *Source: 3L Capital.*



Figure 4. Liberty Gold's permitting timeline. *Source: Liberty Gold Website.*

- Resource Conversion, Growth and Post-FS Upside:** Management expects the next resource update in Q1/27 to support detailed engineering work, with ~20,000m of drilling still excluded from the FS resource and 40,000m currently planned for 2026, potentially expanding toward 50,000m into H1/27. 10,000m of infill drilling at the Discovery, J, and Rangefront zones is expected to upgrade indicated resources to measured, further de-risking the early years of production and payback period. Management noted that while Rangefront will not be at the start of the FS mine plan, it could move materially earlier in the LOM following the Q1/27 resource update, given its exceptionally rapid leach kinetics and proximity to the heap leach pad (hence why they are drilling part of Rangefront to measured). Beyond the current resource, we continue to see meaningful resource upside potential below the legacy heap leach pad (200-500koz), between existing zones, and within the ~40Mt of historic waste piles that remain largely undrilled. Historic operations had materially higher cutoff grades (~0.25 g/t Au), whereas current economics and metallurgical understanding support processing significantly lower-grade material. We wouldn't be surprised to see a sizeable volume of the waste piles run > 0.15 g/t Au. Additional upside opportunities beyond the initial FS include a potential reduction of lower-recovery Met 4 domains and higher Au grades through infill drilling and potential improvements to the long-term production profile, recoveries, and mine sequencing.

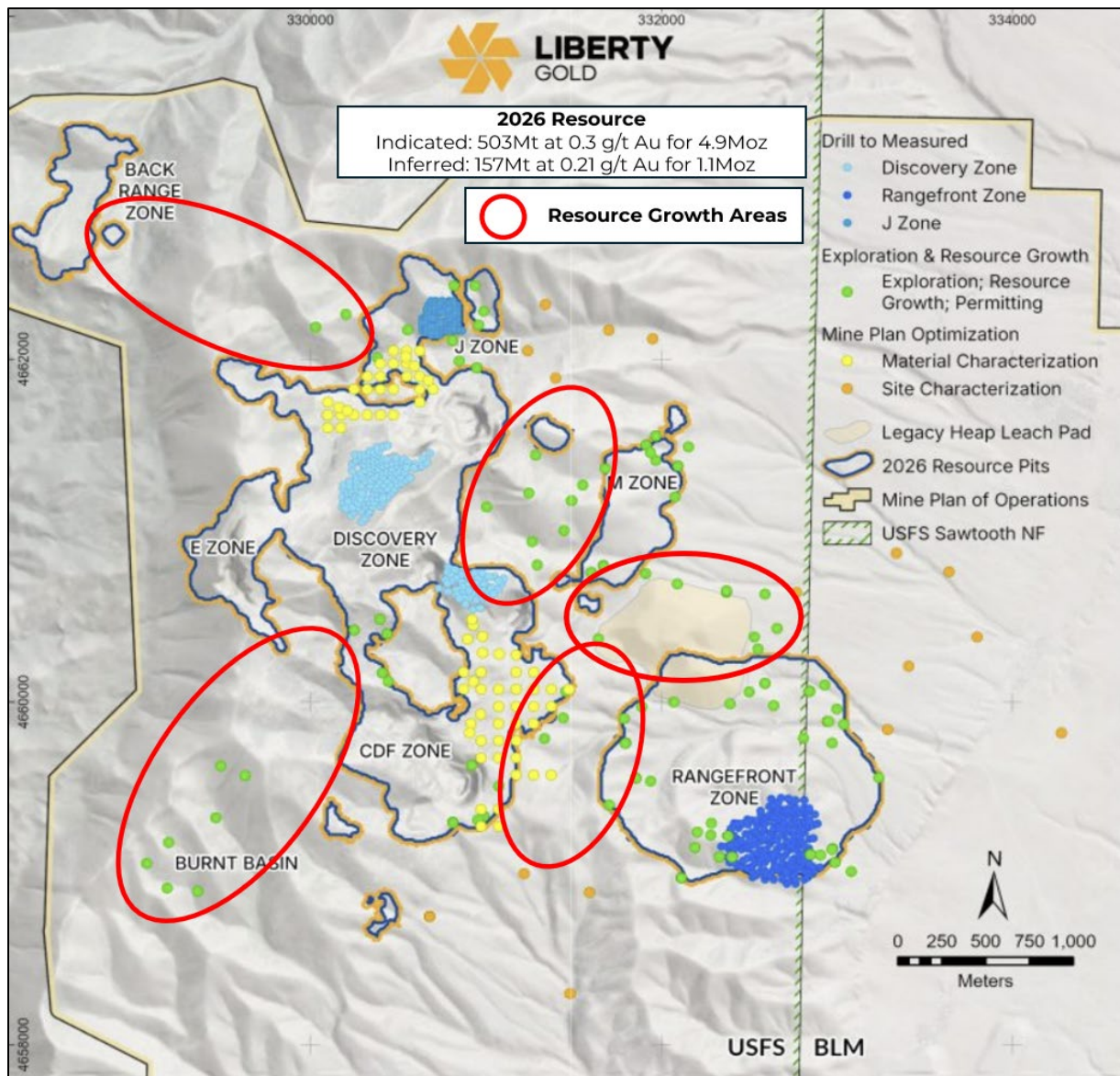


Figure 5. Plan view of 2026 drill plan (Burnt Basin not planned for 2026). We circled areas in red where, with more drilling, we believe additional resources can be defined. Source: Liberty Gold website, modified by 3L Capital.

- Black Pine Will Ultimately be Much Larger than the Feasibility Case:** We continue to believe the long-term resource and production scale potential at Black Pine is materially underappreciated by the market. Continued drilling success should support ongoing resource and reserve growth over time, while management indicated that water availability is not expected to constrain future throughput expansion beyond the anticipated ~65 ktpd FS scenario. Importantly, management noted that an application for a major throughput expansion (i.e. ~100ktpd) could theoretically be submitted following construction start, with approvals potentially achievable by year 3-4 of operations, depending on whether the modification triggers an EA or full EIS process. If higher throughputs are ultimately permitted, we believe Black Pine could support an average annual production profile of >200kozpa over the LOM. Similar to SSR Mining’s Marigold operation, we believe Black Pine has the potential to continuously replace reserves through drilling success and evolve into a materially larger and longer-life operation than what will initially be outlined in the Q4 2026 FS.

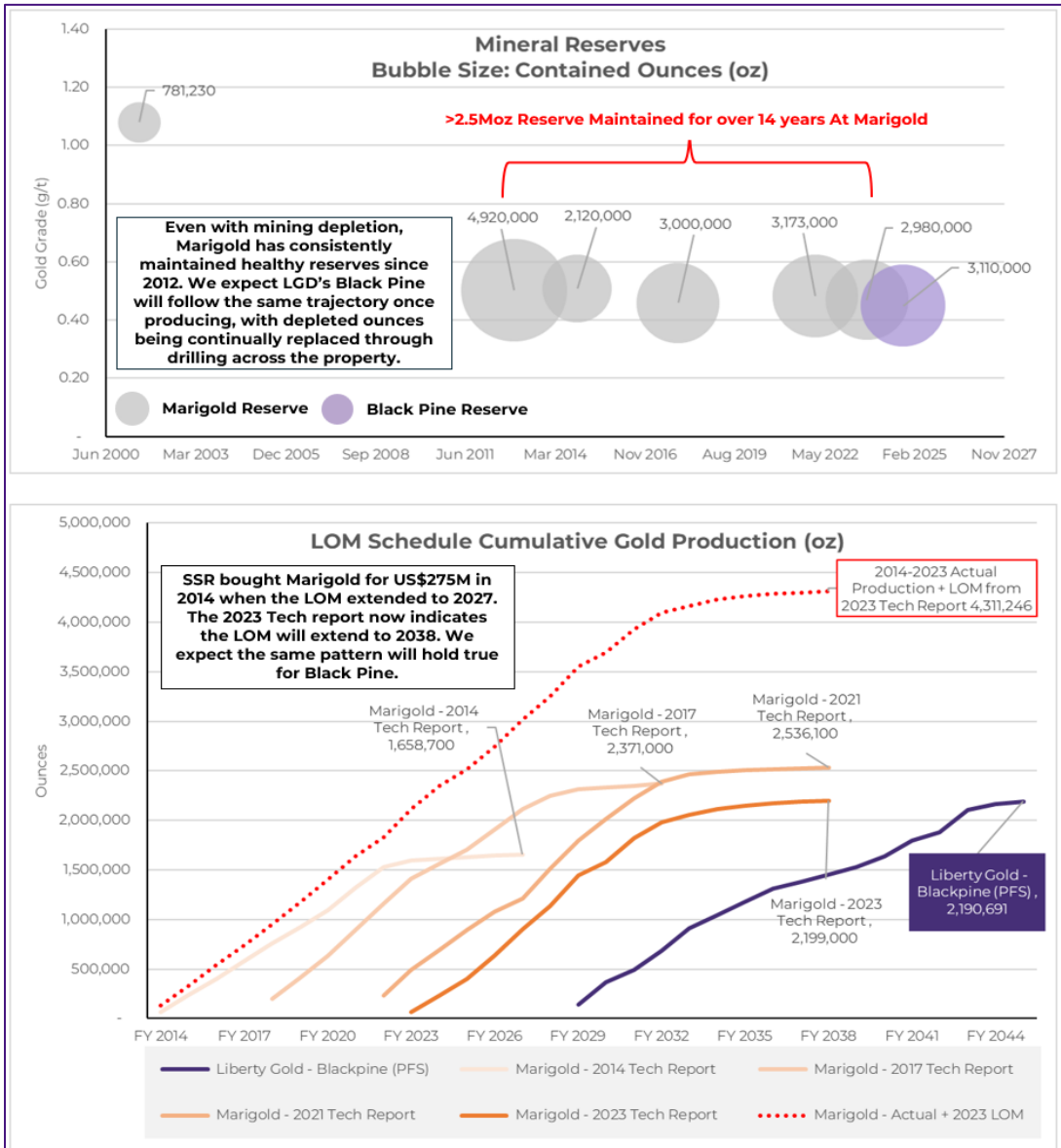


Figure 6. A figure showing the cumulative LOM gold production from different Marigold technical reports over time and Liberty Gold's Black Pine PFS cumulative production profile in purple. What should be noted is that the Marigold mine life (Black Pine analogue) has continuously been extended over time through exploration success. We expect the same trend to occur at Black Pine. Additional reserves will be added through continued exploration, and the mine life will extend much longer than the current PFS and future studies indicate. *Source: Company Tech reports and 3L Capital.*

- **What to Watch Going Forward:** Key areas we believe investors should continue monitoring include:
 - Continued permitting advancement and achievement of published FAST-41 timelines
 - Infill drilling Au grades reconciling as-expected or better vs block model grades
 - Cyanide to Fire Assay (CN/FA) ratios in infill drilling reconciling to expectations in the block model. Ideally want to see <25% CN/FA areas shrink with infill drilling
 - Ongoing metallurgical test work validating the recovery curves and leach kinetics predicted by testing to date
 - Historic waste pile drilling results demonstrating both economical potential (i.e. >50% of tonnes at >0.1 g/t Au) and suitability for construction material (i.e. overliner/underliner)
 - Resource growth drilling returning positive intercepts (i.e. >30m above 0.1 g/t Au) outside existing resource pits and within LOM footprint

Upcoming Catalysts

- 2026 Drilling for Resource Conversion and Oxide Expansion and Assay Results (H2 2026)
- Black Pine Feasibility Study (Q4 2026)

Financial Snapshot

- **Current Cash Position (US\$37.2M):** As stated in Q1 2026 financials, LGD reported total cash of US\$23.9M. With the Goldstrike sale closed on Apr 27, LGD received an initial US\$10M in cash proceeds from the US\$70M total. They also received C\$2.37M from Centerra, who topped up their position to 9.9% in April. Lastly, the company received C\$8M in warrant proceeds in May, bringing LGD's total cash position to US\$37.2M.
- **Burn Rate:** Based on expenses at Q1 2026, LGD is spending ~US\$6.0M per quarter.
- **Recent Financings:**
 - Apr 2026: C\$2.4M "Top-up" Investment by Centerra Gold
 - 2M Shares @ C\$1.17
 - Sep 2025: C\$28M Strategic Investment by Centerra Gold
 - 50M Shares @ C\$0.56
 - Apr 2025: C\$23M Bought Deal Public Offering
 - 69.7M Unit @ C\$0.33 (1 half 2-yr Warrants at C\$0.45 expiring Apr 2027)
- **Valuation:** Post site visit, we have updated our Black Pine DCF model, which previously mimicked the PFS. Changes include the following:
 - Increased development capex from US\$327M to US\$431M
 - Increased sustaining capex from US\$219M to US\$289M
 - Increased total operating cost from US\$9.10/tonne ore to US\$9.58/tonne ore
 - Increased throughput from 50ktpd to 65ktpd
 - Increased LOM tonnes from 299Mt to 399Mt
 - Decreased LOM grade from 0.32 to 0.30 g/t Au
 - Total recovered gold ounces increased from 2.19Moz to 2.77Moz
 - LOM AISC increase from US\$1,380/oz to US\$1,484/oz
 - Increased future construction equity finance share price from C\$2.50 to C\$2.75

Our updated Base case NAV at US\$3,500 Au is C\$3.7B (C\$5.55/sh), and the P/NAV multiple is 0.28x. In our Spot case, with gold at US\$4,000, we calculate a C\$4.7B NAV (C\$7.02/sh) and a 0.22x P/NAV multiple. If LGD can reach the average P/NAV for developers we track at 0.44x, it would represent 57% of upside in our Base case scenario & 100% of upside in our Spot case.

Table 1. Liberty Gold NAV Summary. Source: 3L Research.

Asset		US\$3,500 Au	US\$4,000 Au
Black Pine Project (C\$M)	NPV5%	3,392	4,387
Black Pine Ind + Inf Outside Reserve (C\$M)	C\$15/oz	42	42
Cash (C\$M)		50	50
Debt (C\$M)	Current	-	-
1.6M Shares of HSTR (C\$M)		3	3
0.42M Shares of MOON (C\$M)		4	4
ITM Fully Diluted Proceeds (80% below C\$0.75) (C\$M)	Fully Exercised	17	17
Corporate G&A (C\$M)		(28)	(28)
0.25% Royalty Buyback (C\$M)	Black Pine Royalty	(5)	(5)
TV Tower Future Proceeds (C\$M)		4	4
Cash Proceeds from the Sale of Goldstrike (C\$M)		81	81
Construction Equity Proceeds (Black Pine) (C\$M)	40% Equity for Build	233	233
Financing Fees and Interest Payments (C\$M)	10% IR + 1.75% Fee + 4% on Eqty. Rses.	(50)	(50)
Total NAV (C\$M)		3,743	4,738
Shares Outstanding (M)	Current	541	541
ITM Options/Warrants (80% below C\$0.75 exercise) (M)	Fully Exercised	33	33
RSU Issuance (M)		16	16
Construction Equity Raise Issuance (M)	Shares at C\$2.75 (0.5x P/NAV at US\$3,500 Au)	85	85
Fully Diluted ITM Shares (M)		675	675
Total NAVPS FD (C\$)		5.55	7.02
LGD Share Price (C\$)	Current	1.53	1.53
Price/NAV (x)		0.28x	0.22x

*\$1.00 USD = \$1.35 CAD

*Cash, Debt, S/O, Warrants/Options/DSU/RSU count from latest deck.

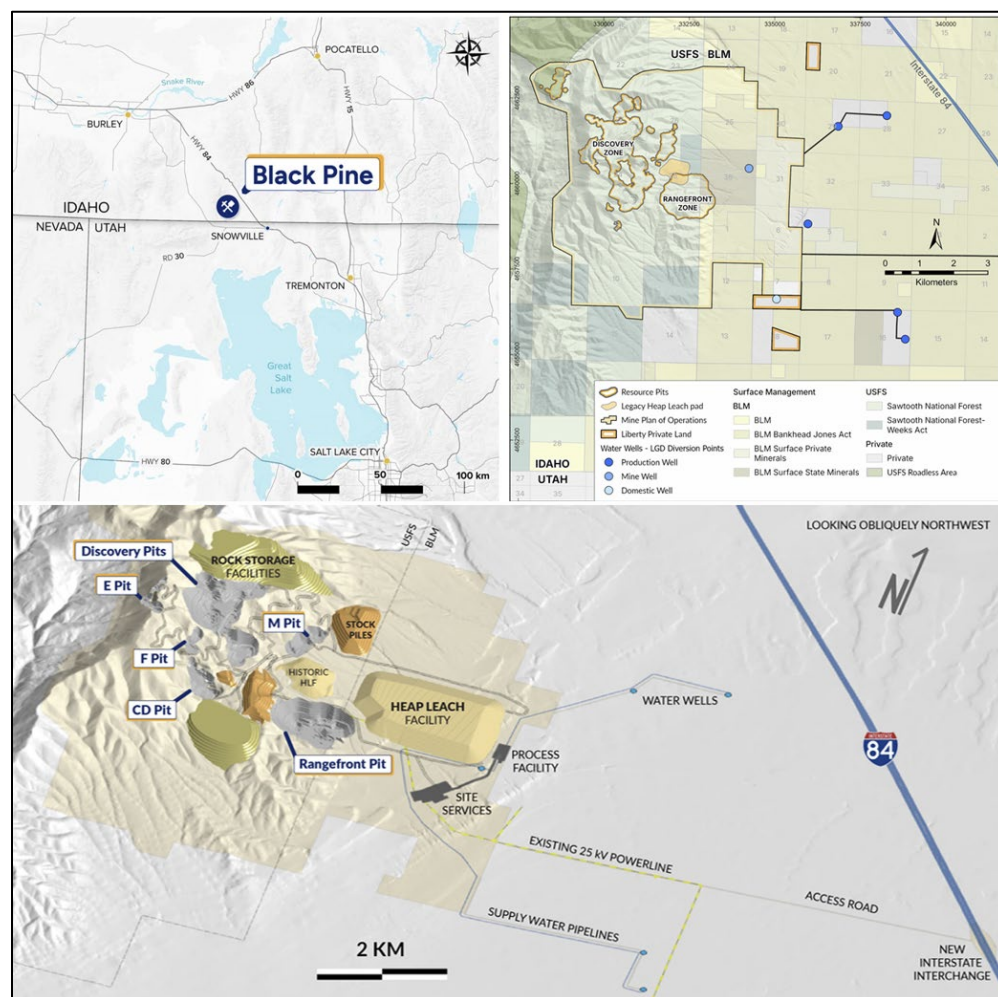


Figure 7. Location of Black Pine project, plan view site overview and 2024 PFS site layout for reference. Source: Liberty Gold website.

Company Overview

Liberty Gold (LGD) is a precious metals exploration and development company focused in the Great Basin of the Western USA. LGD's flagship project is the 100% owned Black Pine project in southern Idaho, and their secondary project 100% owned project, Goldstrike, in Utah. Black Pine hosts reserves of 3.1Moz @ 0.32 g/t. Black Pine's resources total 5.93Moz @ 0.28 g/t and Goldstrike's total 1.22Moz @ 0.49 g/t Au; both are amenable to Run-of-Mine (ROM) heap leaching, and both projects were past producers. LGD has completed a Prefeasibility Study (PFS) at Black Pine and a Preliminary Economic Assessment (PEA) at its secondary Goldstrike asset. The 2024 PFS highlights a 17yr mine life, 135kozpa LOM average production, a LOM AISC of US\$1,380/oz and an NPV5% of US\$552M at US\$2,000 Au. Liberty Gold plans to have a record of decision (RoD) for Black Pine in H1 2028.

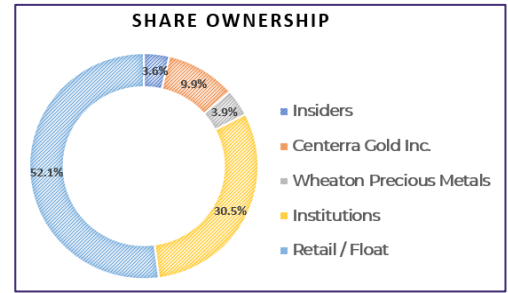


Figure 8. Share ownership of Liberty Gold. Source: Company website/FactSet.



Figure 9. Liberty Gold's one-year share price performance vs. the GDXJ/Gold Price and RSI. Source: Trading View.

Disclosures & Disclaimers

3L Capital has prepared this report for informational purposes only. It is intended to provide general information and should not be interpreted as a solicitation to engage in securities transactions, a recommendation to buy or sell securities, or investment advice. The opinions expressed in this report reflect the author's views as of the report's date. It is strongly advised that recipients conduct their independent investigations and seek professional advice before making any investment decisions. While the information contained in this report is derived from sources believed to be reliable, its accuracy cannot be assured.

It should be noted that 3L Capital, along with its affiliates and associates (collectively known as "3L Capital"), may have provided financial advisory and other services to the companies mentioned in this report in the past or may do so in the future. As a result of rendering such services, 3L Capital may receive financial and other incentives from these companies. 3L Capital employees and affiliates may hold positions in and may buy or sell securities of companies mentioned in this report.

For a detailed discussion of company-specific risks, please refer to the "Risk Factors" segment in the company's MD&A section.