

TORONTO, ONTARIO--(Marketwired - Jan 23, 2017) - [Liberty Silver Corp.](#) ("Liberty" or the "Company") is pleased to announce that on January 20, 2017 it reached an agreement with BG Capital Group Ltd. ("BGCG") to amend the loan agreement among the Company and BGCG effective as of November 14, 2013 and amended and restated effective October 15, 2014 (the "2014 Loan Agreement"), the terms of which were previously disclosed in Company's press release of October 17, 2014.

Under the terms of the agreed upon amendments (the "Amendment"), the principal amount of the loan of US\$1,250,000, as it was under the 2014 Loan Agreement, is increased to US\$1,400,000 (the "New Principal Amount") to include an advance made by BGCG to the Company on November 28, 2016. The New Principal Amount and the accrued interest are convertible into common shares of the Company at BGCG's election. The Amendment also reflects the share conversion on the basis of one (1) new post-consolidation common share for every 15 pre-consolidated common shares, conducted by the Company on January 30, 2015, as previously disclosed in Company's press release of January 30, 2015. As a result of the share conversion, the conversion price has been adjusted from US\$0.0125 per common share of the Company to US\$0.1875 per common share of the Company. The Amendment is effective as of November 30, 2016.

The Company also announces that effective January 20, 2016 BGCG has elected to convert the entire indebtedness under the 2014 Loan Agreement, as amended by the Amendments (the "Indebtedness") into the common shares of the Company ("Shares") pursuant to the terms of the 2014 Loan Agreement, as amended by the Amendments (the "Loan Conversion"). The board of directors of Liberty, having concluded that doing so would be in the best interests of the Company, has approved the Loan Conversion and the issuance thereunder of Shares to BGCG and parties named thereby as assignees of portion of the Indebtedness. Under the terms of the Loan Conversion, the Indebtedness, being US\$1,685,810.04 is to be converted into 8,990,986 Shares at the deemed price US\$0.1875 per Share.

The total of 4,490,986 of the 8,990,986 Shares issuable under the terms of the Loan Conversion shall be issued to BGCG, which prior to the Loan Conversion directly or indirectly held 8,817,419 of the Shares, representing approximately 71.37% of the total number of issued and outstanding Shares at that time. Following the issuance of Shares in connection with the Loan Conversion, it is expected that BGCG will hold 13,308,405 Shares representing approximately 62.35% of 21,345,483 Shares that is expected to be issued and outstanding immediately following the completion of the Loan Conversion.

As BGCG owns directly or indirectly, more than 10% of the issued and outstanding Shares, BGCG is an "insider" of the Company, as such term is defined in applicable securities legislation. Accordingly, in satisfaction of the requirements of the National Instrument 62-104 - *Take-Over Bids And Issuer Bids* and National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, an Early Warning report respecting the acquisitions of Shares by BGCG will be filed upon the completion of the Loan Conversion under the Company's SEDAR Profile at www.sedar.com. A copy of the early warning report to be filed by BGCG in connection with the information in this press release may be obtained from Stacey Vogel at (954) 762-2223 extension 3.

For reason of owning directly or indirectly, more than 10% of the issued and outstanding Shares, BGCG is also a "related party" and both the Amendment and the Loan Conversion are "related party transactions" as these terms are defined in the Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (the "MI 61-101").

The Company relies on exemptions from formal valuation and minority approval requirements under the MI 61-101, which would otherwise apply to the Amendment and the Loan Conversion. The Company relies on the exemption from the formal valuation requirement under subsection 5.5(b) of MI 61-101, as the securities of the Company are not listed for trading on an enumerated exchange; the Company also relies on the exemption from the formal valuation requirements under subsection 5.5(g) of MI 61-101, for reasons of financial hardship, as, according to the determination of all of the independent directors of the Company, the Company is in serious financial difficulty; both the Amendment and the Loan Conversion are designed to improve the financial position of the Corporation; neither the Amendment nor the Loan Conversion are subject to a court order under a bankruptcy legislation; and all the independent directors of the Company have determined that the terms of both the Amendment and the Loan Conversion are reasonable for the Corporation. The Company relies on the exemption from the minority approval requirements under subsection 5.7(e) of MI 61-101 for reasons of financial hardship as described above. For the purposes of this approval, all directors of Liberty, being Messrs. John Ryan, Bruce Reid and Howard M. Crosby are viewed independent of BGCG.

About Liberty Silver Corp.

Liberty has the right to earn a joint venture interest in the 10,020-acre Trinity Silver Project pursuant to the terms of an earn-in agreement with Renaissance Exploration Inc. The Trinity Silver Project, located in Pershing County, Nevada, is Liberty's flagship project.

Information about Liberty is available on its website, www.libertysilvercorp.com, or in the SEDAR and EDGAR databases.

Cautionary Statements

Certain statements in this news release are forward-looking and involve a number of risks and uncertainties. Such

forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, as well as within the meaning of the phrase 'forward-looking information' in the Canadian Securities Administrators' National Instrument 51-102 - Continuous Disclosure Obligations. The forward looking statements made herein are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations or assumptions with respect to, among other things, the ability of Liberty to preserve its interests in the Trinity Silver Project which is dependent on renegotiation of the Company's obligation to complete a feasibility study, the Company's present and future financial condition, the Company's ability to secure financing, and the state of financial markets.

Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan", and may include statements regarding, among other things, the status of the Trinity Silver Project earn-in agreement and the ability to renegotiate the obligation to complete a feasibility study. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, results of exploration, project development, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as: the inability of Liberty to renegotiate the obligation to complete a feasibility study pursuant to the terms of the Trinity Silver Project earn-in agreement; the ability of the Company to budget and manage its liquidity in light of the failure to obtain additional financing; changes in general economic conditions and conditions in the financial markets; changes in demand and prices for precious metals; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; operational difficulties encountered in connection with the activities of the Company; and other matters discussed in this news release. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors made in public disclosures and filings by the Company should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

Contact

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