



Trading symbol **LBE** on the Toronto Stock Exchange
 Website www.libertymines.com

Company Overview

Liberty Mines Inc. is a producer of nickel and is focused on the exploration, development and production of nickel, copper, cobalt and platinum group metals from its properties in Ontario, Canada. Liberty has three major assemblies of contiguous mining claims and leases in northern Ontario including:

- A 100% interest in 12,000 ha in the Shaw Dome Nickel Belt located 25 km southeast of Timmins containing three mines: the Redstone and McWatters nickel mines in commercial production and the Hart nickel mine in the late permitting stage. The 2000 tonne/day Redstone nickel concentrator is located at the Redstone Mine site;
- A 100% interest in 6,400 ha in the Groves nickel copper platinum group metals (“PGM”) project 20 km southeast of Gogama; and
- A 100% interest 6,300 ha in the McAra Lake-Ray cobalt nickel copper project about 120 km south east of Timmins.

Redstone Mine

The Redstone nickel mine is in commercial production at a target rate of 300 tonnes per day. The pre-feasibility study released January 11, 2010 stated a resource estimate at a cut-off grade of 0.51% nickel (“Ni”) of 599,000 tonnes in the Measured and Indicated categories grading 1.47% Ni and 0.02% copper (“Cu”); and 737,000 tonnes in the Inferred category grading 1.57% Ni and 0.03% Cu. The Proven and Probable Mineral Reserves were estimated at 259,900 tonnes with an average grade of 1.04% Ni using a nickel price of US\$15,430 per tonne (US\$7.00 per pound) and an exchange rate of \$1.00 CDN = \$0.90 US. There is a strong potential to increase the Inferred Resources in the lower zone between 510m and 1150m; and to upgrade the current Inferred resources to the Indicated category with additional drilling. The reserves would be positively increased and the life of mine extending accordingly.

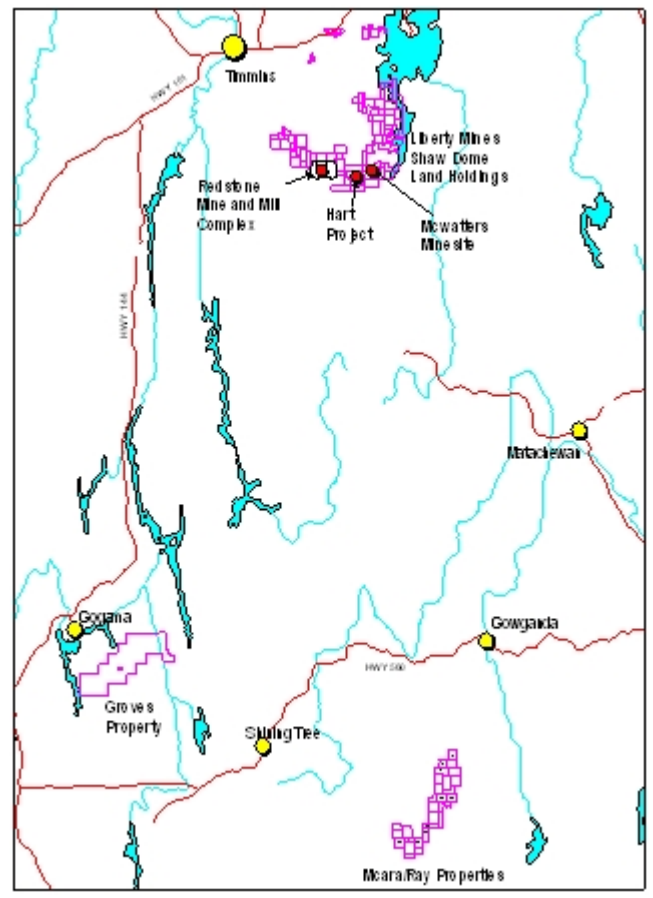
Eleven boreholes drilled in 2007 from the 789m to 1155m levels have confirmed a large section of the “Inco Anomaly” tested within the Redstone channel (see Redstone Project) is a nickel bearing orebody. More drilling is required to test the entire extent of the geophysical anomaly below 1150m and further to the west at depth. Some highlights of the deep drilling include:

- 3.45m of 3.9% Ni at the 675m level;
- 8.5m of 2.4% Ni at 789m below the surface; and
- 4.65m of 3.62% Ni encountered 1064m below the surface.

Redstone Nickel Concentrator

The 2000 tonne per day Redstone nickel concentrator was commissioned in July 2007. The

Property Locations in Ontario Canada



mill contains a sophisticated flotation circuit to effectively separate nickel sulphides from the high magnesium hydroxide (talc) component typical of altered komatiite nickel ores in the Shaw Dome Nickel Belt. It is fully automated including an online analyzer which can isolate both light and heavy elements. It also contains a gravity circuit to enhance the payable amounts for platinum, palladium and gold.

Liberty ships its nickel in concentrate to Xstrata Nickel's smelter in Sudbury, Ontario.

McWatters Mine

The McWatters nickel mine, located 9.5 km to the east of the Redstone Mine, is in commercial production. The mine consists of a small open pit to the 45m level to enable the crown pillar to be exploited with underground sublevel caving. A feasibility study dated December 18, 2009 estimated the Probable Mineral Reserves at 872,000 tonnes with an average grade of 0.70% Ni using a nickel price of US\$15,430 per tonne (US\$7.00 per pound) and an exchange rate of \$1.00 CDN = \$0.90 US. The life of mine for the McWatters project is two years at an average production rate of 1800 tonnes per day.

Hart Mine

Permitting is nearing completion for Liberty's third nickel mine at the Hart project, located 7 km east of the Redstone site. Mine construction is planned for mid 2010 upon receipt of a filed Closure Plan. A NI 43-101 resource estimation released on October 20, 2008 at a cut-off grade of 0.4% Ni stated an indicated resource of 1,688,538 tonnes grading 1.32% Ni and 0.11% Cu; and an inferred resource of 377,394 tonnes grading 1.15% Ni and 0.08% Cu. The resource estimate included drilling only to the 460m level. As the Kambalda type mineralization is known to exist down to the 1150m level at Redstone, additional deep drilling will attempt to extend the Hart resource at depth.

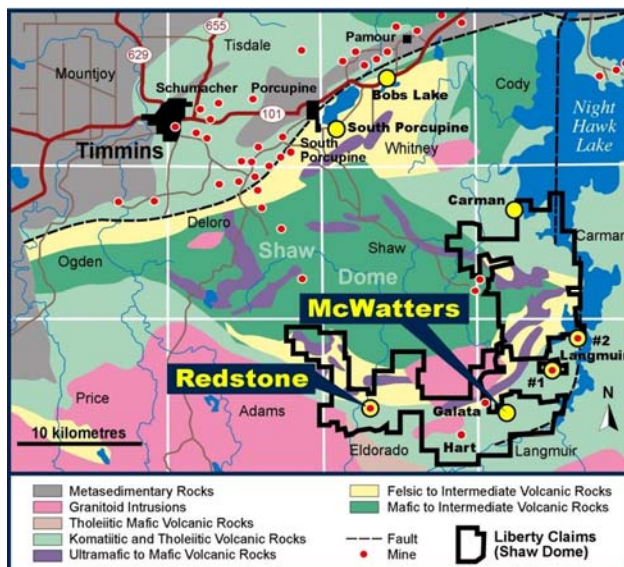
Shaw Dome Nickel Belt

A geophysical VTEM survey to further elucidate drill targets for the entire Shaw Dome claims owned by Liberty was completed in 2008. Many targets have been identified and drilling will be ongoing for the next several years. There is a high probability to make new discoveries in the Shaw Dome Nickel Belt where the geology is similar to the Kambalda Nickel Belt in Australia.

Groves Nickel Copper PGM Project

An airborne VTEM survey was complete in 2008. In addition to the historically known resource (see Groves Project), three outstanding targets have been located and an extensive drill program will begin in 2010. Some historical drill cores reported 5 g/t of iridium, which indicates the potential of the deposit as a source of this rare element.

Liberty's Mining Claims in the Shaw Dome Nickel Belt



Flotation of Nickel in Concentrate at the Redstone Mill



McAra Lake Cobalt Project

The cobalt deposit at McAra Lake consists of rich veins of cobaltite typically grading up to **11% cobalt** over 1m-1.5m with intersections of 19.46m averaging 1.1% cobalt. It also contains significant copper with intersections of chalcopyrite containing 11.9% copper over 3.1m as well as varying credits of nickel up to 1%.

The McAra Lake cobalt deposit offers Liberty the potential to develop a primary resource of cobalt. The adjacent Ray Township properties have many surface pits that may also develop similarly. A drill program is scheduled to commence in 2010 to further develop these two contiguous properties.

Investment Highlights

- Liberty currently has three nickel mines to feed its 2000 tonne per day nickel concentrator: two in commercial production and a third to be brought into pre-production in late 2010.
- The Company has three major exploration areas consisting of contiguous mining claims and leases with known mineralization and excellent potential for additional discoveries.
- Liberty's NI 43-101 nickel resource base is quickly growing.
- Liberty is soon to be a mid tier producer of nickel with significant copper and PGM credits.
- Liberty has the potential to develop a primary resource of cobalt.
- Liberty Mines Inc. will soon be acknowledged in the financial community for its substantial fast paced achievements and development of positive cash flow.

Market Data

Trading symbol **LBE** on the Toronto Stock Exchange
Shares Outstanding as of 10/02/2010 168,208,457
Warrants from Financings nil
Stock Options 4,314,999
Fully diluted 168,208,457

Analyst Coverage

Analyst Institution Target/Recommendation

Pat Donnelly Salman Partners under review

Management

Dr. Gary Nash BSc PhD (Physics), President and CEO
Bill Woods, CMA CFO
Jason Cyr, General Manager
Corey McLister, Environmental Coordinator
Barry Johnson, Safety Coordinator

Directors

Dr. Gary Nash BSc PhD (Physics)
Xu Guangping
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John Pinsent BCom CA
Dr. Tao Li BE PhD (Mine Engineering)
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Redstone Mine Site

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