# LIBERTY MINES INC.

## FORM 51-102F3

## MATERIAL CHANGE REPORT

**Item 1. Name and Address of Company**

**LIBERTY MINES INC.** 311A 8925-51 Avenue, Edmonton, Alberta, T6E 5J3.

**Item 2. Date of Material Change**

September 29, 2008.

**Item 3. News Release**

The Press Release was sent on September 29, 2008 via Marketwire—Calgary, Alberta.

**Item 4. Summary of Material Change**

For further information, attached hereto is a copy of the Press Release.

**Item 5. Full Description of Material Change**

For further information, attached hereto is a copy of the Press Release.

**Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Confidentiality is not requested.

**Item 7. Omitted Information**

No information has been omitted in respect of the material change.

**Item 8. Executive Officer**

Gary Nash, President [416] 238-9736.

**Item 9. Date of Report**

September 29, 2008.

**TSX: LBE** For Immediate Release

Press Release 26-08 September 29, 2008

# Liberty Arranges US$32 Million Secured Notes Financing

### NOT FOR DISTRIBUTION TO THE UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

**EDMONTON, Alberta.** Liberty Mines Inc. ("Liberty or the Corporation") is pleased to announce that, subject to regulatory approval, it has negotiated a Senior Secured Notes financing consisting of Units for gross proceeds of up to US$32,000,000. Each Unit consists of one senior secured note (the "Note") and 250 share purchase warrants (the "Warrants"). The Notes and the Warrants are not transferable. Each Note will have a par value of US$1,000 and will bear interest at an annual rate of fourteen percent (14%), which shall be paid quarterly. The Notes will mature twelve (12) months from date of issuance at 110% of the principal amount of such Notes. Liberty shall have the right to prepay the Notes at any time for an amount equal to 110% of the principal amount of such Notes and accrued and unpaid interest on the principal amount of the Notes (it being understood that any and all prepaid interest shall be forfeited as a penalty). The Notes will be senior secured exclusively by all operational mining assets of the Corporation including the Redstone, McWatters and Hart mines. All other explorational properties are excluded.

Each Warrant will be exercisable into one common share for a period of eighteen (18) months from the date of Closing and have an exercise price at the greater of US$.20 or a 15% premium to the weighted average price of Liberty's common stock trading on the Toronto Stock Exchange for the 10 business days preceding the Closing Date.

The Corporation will pay the agents upon closing of the financing, a 6% cash commission on the gross proceeds raised by the agents on the offering and issue to the agents 6% of the number of Warrants issued on closing. The warrants issued to the agents shall have the same terms and conditions as the Warrants issued to the purchasers of the Notes.

The offering is scheduled to close by October 15, 2008 and is subject to certain conditions including, but not limited to, receipt of all required regulatory approvals. The securities issued by Liberty in connection with these offerings are subject to a 4-month "hold period" as prescribed by the TSX.

The net proceeds of the financing will be used: to pay off the principal owing on the existing financing of CAD$16,450,000; to purchase 4.112 million warrants for CAD$1,644,800 which is equivalent to a buy-back of stock for the same number of shares at CAD$.40 per share; for continued development of the McWatters and Hart mines, and for general working capital.

**About Liberty Mines Inc.**

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.

CAUTIONARY STATEMENT

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This News Release includes certain “forward looking statements”. All statements other than statements of historical fact in this release, including without limitation, statements regarding potential mineralization and reserves, exploration results, and future plans and objectives of Liberty, are forward looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Liberty’s expectations are exploration risks, commodity prices, assumed startup and operating costs detailed herein and from time to time in the filings made by Liberty with securities regulators.

**For further information please contact:**

Dr. Gary Nash, PhD (Physics), President & CEO
Liberty Mines Inc.
Phone (416) 238-9736 Fax 780-437-7898
E-mail: gnash@libertymines.com