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

December 22, 2009.

Item 3. News Release

The Press Release was sent on December 22, 2009 via Filing Services Canada—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

December 22, 2009.

TSX: LBE For Immediate Release

Press Release 18-09 December 22, 2009

Liberty Updates Feasibility Study for the McWatters Nickel Mine

EDMONTON, Alberta. Liberty Mines Inc. (“Liberty or the Company”) is pleased to announce the results of an updated feasibility study completed for its McWatters nickel mine based on an independent National Instrument 43-101 compliant mineral reserve model completed by SRK Consulting (Canada) Inc. (“SRK”). The McWatters Probable Mineral Reserves was estimated by SRK at 872,000 tonnes with an average grade of 0.70% nickel ("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. All revenue and costs are expressed in Canadian dollars unless otherwise indicated.

The estimate was based on partially mining a small open pit and caving the balance of the remaining ore in the open pit with the underground sublevel cave mining operation. Due to time constraints, this report does not optimize the "caved pit design" with the underground operation. Conceptual level calculations indicate a potential for decreasing waste stripping and overburden removal. Various models show pre-tax cost savings in the range of $2 million to $4 million. The resulting pre-tax cash flow would be in the range of $15.2 million to $17.2 million. The authors are confident in these findings and strongly recommend mining and geotechnical engineering be allocated to complete optimization.

The life of mine ("LoM") for the McWatters project is two years at an average production rate of 1800 tonnes per day. Approximately 28% of the ore will be mined from the open pit with the 72% balance exploited by sub level caving (87%) and cut & fill (13%) mining methods.

The open pit and the underground mine assessed individually and together in the combined production schedule are economically viable at the study Ni price of US$7.00 per pound. The project economics include:

- LoM net revenue based on plant feed of 872,000 tonnes at 0.70% Ni is estimated at $62 million;
- Open pit mine unit operating costs are estimated at $4.56 per tonne mined;
- Underground mine unit operating costs are estimated at $35 per tonne mined for sublevel caving and $45 per tonne mined for cut and fill;
- The estimated unit cost for processing at 1,500 tonnes per day is $16.19;
- The LoM average general and administration operating cost is estimated at $3.25 per tonne milled;
- The average surface ore haulage cost to the Redstone mill is estimated at $2.26 per tonne;
- LoM operating costs are estimated at $45 million;
- Total project capital requirements are estimated at $3.5 million;
- Undiscounted pre-tax LoM cash flow is estimated at $13.2 million;
- The estimated project NPV at a 8% discount rate is $11.54 Million;
- The project IRR is estimated at 460% excluding sunk costs.

The resource and reserve estimates for the McWatters mine are presented in the following tables, respectively:

McWatters Mineral Resource Statement - SRK Consulting, July 27, 2009

Classification	Zone	Mining Type	Quantity Tonnage	Grade Ni(%)	Contained Nickel Tonnes (000'lbs)	
Open Pit Mining						
Indicated	Disseminated Zone	Open Pit	368,400	0.45	1,646	3,629
Underground Mining						
Indicated	Disseminated Zone	SLC/BH**	382,200	0.86	3,287	7,075
	Massive Zone	Cut & Fill***	41,900	3.57	1,497	3,297
Combined Mining						
Indicated	Total	Combined	792,500	0.81	6,430	14,172

Mineral resources are not mineral reserves and do not have demonstrated economic viability. Numbers have been rounded to reflect accuracy of the estimate.
*Open Pit Resource reported within a designed pit at a cut off grade of 0.27% Ni.
**Sub-level caving (SLC) and longhole stope (BH) resources area reported within designed stopes at a cut off grade of 0.55% Ni.
***Cut and fill stope resources are reported within designed stopes at a cut off grade of 0.65% Ni.
Cut-off grades are based on a nickel price of US$7.00/lb and a mill recovery of 87%.

McWatters Mineral Reserve Statement - SRK Consulting, December 15, 2009

Classification	Zone	Quantity Tonnage	Grade Ni(%)	Contained Nickel (tonnes)	(lbs)
Probable	Pit	245,000	0.33	810	1,790,000
Probable	SLC/BH	546,000	0.68	3,710	8,180,000
Probable	CF	81,000	1.91	1,540	3,400,000
Probable	Total	872,000	0.70	6,060	13,370,000

The in-situ mineral resources included into the mineral reserve estimate are based on cut-off grades of 0.25% Ni for the open pit, 0.54% Ni for sublevel cave, and 0.63% Ni for cut and fill mining methods.

The independent mineral resource and reserve estimates prepared by SRK are reported in accordance with Canadian Securities Administrators' National Instrument 43-101 and conforms to generally accepted Canadian Institute of Mining ("CIM") "Estimation of Mineral Resources and Mineral Reserves Best Practices" guidelines. A complete National Instrument 43-101 Technical Report, which will incorporate the resource and reserve estimation, will be filed on Sedar within 45 days of release of this press release.

This independent Technical Report was compiled by Mr. Glen Cole, P. Geo.(APGO) and Mr. Andrew MacKenzie, P. Eng. (APEO) as principal authors with assistance from the following independent professionals:

- Mr. Cam Scott, P. Eng. on pit overburden slope design for closure planning;

- Mr. Bruce Murphy, FSAIMM for the hard rock geotechnical assessment;
- Mr. Eugene Puritch, P. Eng. on open pit design;
- Mr. Phil Bridson, P. Eng. on underground mine planning;
- Mr. Carlo Cattarello, P. Eng. on mineral processing;
- Mr. Rod Doran, P. Eng. on closure planning.

This report benefited from the review of Mr. Ken Reipas, P. Eng. SRK Principal Mining Engineer. By virtue of their education, relevant work experience and affiliation to a recognized professional association, these professionals are independent qualified persons as defined by National Instrument 43-101.

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. It owns and operates the Redstone nickel concentrator near Timmins Ontario.

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 included in this release, without limitation, statements regarding 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: mining risks; commodity prices; currency exchanges; regulatory approvals; and 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:
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