CEO Year End Update: Liberty Star’s Hay Mountain Project, an Invitation to Shareholders & Some Reflections on the Trump Administration

This is Part 1 of three messages over the next days/weeks

The election of Donald Trump electrified the entire world. Most metal prices increased as a positive response to the news, particularly copper, lead, zinc and iron ore prices. I get a metals price feed from Western Australia, 15 hours ahead of us and I could see the metals prices change after the president-elect was named, before dawn in the USA.

In the United States the jump in metals prices were somewhat more subdued but still increasing as they did in Australia. Even coking coal and steam coal in the US have increased despite the current administration’s efforts to kill that industry. We must have coking coal if we want a steel industry. Can you imagine fighting a war without steel?

President-elect Trump’s election brings good tidings to the minerals industry,
which includes oil, natural gas, coal of all types (coking & steam), and minerals which includes base metals: copper, moly, lead, zinc, and many other metal elements, and precious metals including gold, silver, platinum, palladium, and specialty metals such as lithium, uranium, thorium, and rare-earth elements. Most of these are present at Hay Mountain as potential co or by products. I would include rock products such as stone, crushed stone, sand and gravel. None very romantic, but critical to our society.

Right now, Liberty Star is ready to move forward with recently renewed State Mineral Exploration Permits (MEPs) which are effective for five years and can be renewed for another five years, with continuity until we have been awarded mineral leases after an ore body has been delimited by our drill program. We plan on fast tracking the drilling: we will use a single drill operated 24 hours a day to start with. As we gain confidence with targeting, and of course have adequate capitalization, we will move forward with a second, then a third, and then a 4th rig – all operating 24/7. With multiple drills working 24/7/7 we expect drill out in 2 to 4 years, though if the mineral body is very large the drilling program could take longer. We believe that if we intersect high grade mineralization there will be a substantial rise in our share price. We look to nearby Bisbee as an ore body model to evaluate what we can expect – which is high grade sediment hosted copper, and perhaps a disseminated body of mineralization in the intrusive body as indicated by geophysics.

We still do not have sufficient funding to get a drill rig on site yet, but we are moving equipment into the drilling area as we have the time and the money. Right now, and for the near term most of my time will be devoted to raising funds for Phase 1a: $1 million or more.

This is an important time because all the metal prices within the Hay Mountain target are set to ascend perhaps for foreseeable future.

In fact, projections that were made some years ago show that in the next 25 years national and global requirements will call for more copper than has ever been mined in all human history. It is hard to imagine where that will all come from,
but it will be at elevated prices of course. That figure is not even including the transition to electric powered vehicles which will far surpass the 65 pounds of copper now required in a modern motor vehicle. This additional copper is needed to wind the motors that propel the new electric vehicles and to carry the electricity from its batteries to the motor (or motors), and back again so the motors become generators and the batteries recharge on braking or going on downhill slopes. Look under the hood of your car and note the thickness of the battery cables that takes power from the battery to activate the starter and run the electrical components of the car, and from the alternator to recharge the battery. Then imagine what will be necessary to feed the motor(s) that propel an electric vehicle at several hundred horsepower as proposed. Further, millions of rapid charging stations placed strategically along improved highways will be needed, so that vehicles can stop and get a rapid recharge. These all will require stupendous amounts of copper to transmit the electricity from the yet to be built generating sources and into the rapid charging stations.

It is my intention that a significant amount of that copper comes from Hay Mountain and other Liberty Star targets. Based on this rosy outlook for both Hay Mountain and the increasing prices for the metals that it contains, we are very happy with the projected future of our project.

However, we need to get the money raised to go forward. Right now we have a profound indication of a very large mineral body indicated by extensive surface studies and multiple sensing technologies. Exploration with an extensive diamond core drilling program is needed to define an ore body.

In this climate of ascending trends regarding metals prices along with President-elect Trump’s fiscal program for the United States, including streamlining the bureaucracy and rebuilding infrastructure, money should be much more available for Liberty Star: certainly, more so than during the metals depression we have just passed through.

I plan to spend most of my time in the next few months actively raising money. If there are any shareholders that could get a significant group to meet in a central location(s), I will repeat my whirlwind tour of a few years ago, and meet with you personally.

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As money is raised, we will go forward incrementally with the diamond core drilling plan. We anticipate that we should hit significant mineralization within the first few holes, which will encourage us to drill more and deeper holes. The $1 million budget for Phase 1a drilling calls for the drilling of 10,000 feet of HQ (2.5 inch) core holes.

For information about the Phase 1 drilling program at Hay Mountain visit our website: http://libertystaruranium.com.

We are beginning discussions with large established mining companies about the potential of some type of joint venture and are also in contact with monied funders. While we are optimistic, these discussions are early stage and we do not know whether any will come to fruition. But post-election with Donald Trump - a business man in charge, there is a definite change in the attitude toward appealing exploration projects like the Hay Mountain. I will elaborate in my next presentation.

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