



LIBERIO

COPPER & GOLD

LIBERIO COPPER & GOLD CORPORATION

**Unaudited condensed interim consolidated financial statements
For the three and six months ended June 30, 2020**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

LIBERO COPPER & GOLD CORPORATION
Condensed interim consolidated statements of financial position
(unaudited - expressed in Canadian dollars)

As at	Notes	June 30, 2020	December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents		\$ 2,740,849	\$ 302,304
Amounts receivable		28,453	108,983
Prepaid expenses		347,205	89,608
		<u>3,116,507</u>	<u>500,895</u>
Non-current assets			
Property, plant and equipment	3	250,099	283,846
Mineral properties	4	1,390,720	1,338,870
Other receivables	5	72,081	57,081
		<u>1,712,900</u>	<u>1,679,797</u>
Total assets		<u>\$ 4,829,407</u>	<u>\$ 2,180,692</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	\$ 175,766	\$ 147,018
Flow-through share premium liability	9	470,528	-
Current portion of lease liability	7	49,185	54,900
		<u>695,479</u>	<u>201,918</u>
Non-current liabilities			
Lease liability	7	192,641	215,027
		<u>192,641</u>	<u>215,027</u>
Total liabilities		<u>888,120</u>	<u>416,945</u>
SHAREHOLDERS' EQUITY			
Share capital	8	11,660,358	9,406,458
Contributed surplus		3,533,671	2,008,078
Deficit		(11,252,742)	(9,650,789)
Total shareholders' equity		<u>3,941,287</u>	<u>1,763,747</u>
Total liabilities and shareholders' equity		<u>\$ 4,829,407</u>	<u>\$ 2,180,692</u>

On behalf of the Board of Directors:

(signed) "Jay Sujir"
Director

(signed) "Ian Slater"
Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

LIBERO COPPER & GOLD CORPORATION
Condensed interim consolidated statements of loss and comprehensive loss
(unaudited - expressed in Canadian dollars)

	Notes	Three months ended		Six months ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
EXPENSES					
Investor relations		\$ 270,169	\$ 71,215	\$ 611,038	\$ 123,545
Exploration	4	335,548	213,058	557,839	337,414
General and administration		30,703	157,827	160,154	255,393
Salaries and benefits		65,190	66,050	135,220	135,875
Share-based compensation	8(c)	32,544	124,666	95,530	202,588
Professional fees		42,027	15,624	49,572	42,237
Depreciation	3	16,871	16,968	33,747	23,374
Projects evaluations		4,615	-	13,429	10,602
		<u>797,667</u>	<u>665,408</u>	<u>1,656,529</u>	<u>1,131,028</u>
OTHER EXPENSES (INCOME)					
Foreign exchange (gain) loss		(759)	253	11,630	(276)
Interest and other expense, net		<u>3,966</u>	<u>4,946</u>	<u>8,066</u>	<u>6,645</u>
		800,874	670,607	1,676,225	1,137,397
Deferred income tax recovery	9	<u>(74,272)</u>	<u>-</u>	<u>(74,272)</u>	<u>-</u>
Net loss and total comprehensive loss for the period		<u><u>\$ 726,602</u></u>	<u><u>\$ 670,607</u></u>	<u><u>\$ 1,601,953</u></u>	<u><u>\$ 1,137,397</u></u>
Basic and diluted loss per share		\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02
Weighted average number of common shares outstanding		113,633,169	64,732,403	104,009,368	63,032,295

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

LIBERO COPPER & GOLD CORPORATION
Condensed interim consolidated statements of changes in equity
(unaudited - expressed in Canadian dollars)

	Notes	Number of shares	Share capital	Contributed surplus	Deficit	Total
Balance, December 31, 2018		61,256,631	\$ 7,353,000	\$ 431,567	\$ (6,031,915)	\$ 1,752,652
Private placement, net of share issue costs		10,904,761	767,616	311,700	-	1,079,316
Shares issued for mineral property acquisition		100,000	8,300	-	-	8,300
Share-based compensation	8(c)	-	-	202,588	-	202,588
Total comprehensive loss		-	-	-	(1,137,397)	(1,137,397)
Balance, June 30, 2019		72,261,392	\$ 8,128,916	\$ 945,855	\$ (7,169,312)	\$ 1,905,459
Balance, December 31, 2019		93,261,392	\$ 9,406,458	\$ 2,008,078	\$ (9,650,789)	\$ 1,763,747
Private placement, net of share issue costs	8(a),(b)	40,022,080	2,778,900	1,430,063	-	4,208,963
Flow-through share premium liability	9	-	(544,800)	-	-	(544,800)
Shares issued for mineral property acquisition, net of share issue costs	8(a)	200,000	19,800	-	-	19,800
Share-based compensation	8(c)	-	-	95,530	-	95,530
Total comprehensive loss		-	-	-	(1,601,953)	(1,601,953)
Balance, June 30, 2020		133,483,472	\$ 11,660,358	\$ 3,533,671	\$ (11,252,742)	\$ 3,941,287

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

LIBERO COPPER & GOLD CORPORATION
Condensed interim consolidated statements of cash flows
(unaudited - expressed in Canadian dollars)

For the six months ended	Notes	June 30, 2020	June 30, 2019
OPERATING ACTIVITIES			
Net loss for the period		\$ (1,601,953)	\$ (1,137,397)
<i>Adjustments for items not involving cash:</i>			
Share-based compensation	8(c)	95,530	202,588
Depreciation	3	33,747	23,374
Interest expense, net		8,066	6,645
Foreign exchange loss (gain)		11,630	(276)
Deferred income tax recovery	9	(74,272)	-
		(1,527,252)	(905,066)
<i>Net changes in non-cash working capital items:</i>			
Amounts receivable		80,863	(9,501)
Prepaid expenses		(257,596)	1,573
Accounts payable and accrued liabilities		22,382	26,641
Net cash outflows from operating activities		(1,681,603)	(886,353)
FINANCING ACTIVITIES			
Issuance of units, shares and warrants, net of issue cost	8(a),(b)	4,208,963	1,079,316
Cash principal and interest payments of lease liability	7	(36,500)	(23,845)
Net cash inflows from financing activities		4,172,463	1,055,471
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(12,955)
Reclamation bond	5	(15,000)	-
Acquisition of mineral properties		(37,315)	(71,347)
Net cash outflows from investing activities		(52,315)	(84,302)
Net increase in cash and cash equivalents		2,438,545	84,816
Cash and cash equivalents, beginning of the period		302,304	416,844
Cash and cash equivalents, end of the period		\$ 2,740,849	\$ 501,660

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

LIBERO COPPER & GOLD CORPORATION

Notes to the unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Libero Copper & Gold Corporation (“Libero” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on June 5, 2008.

The address and domicile of the Company’s registered office and its principal place of business is Suite 905 - 1111 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2JE. The Company is engaged in the acquisition and exploration of mineral properties.

The Company is in the process of exploring and evaluating its mineral property assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and continuance of operations is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and maintain sufficient working capital, and upon future production or proceeds from the disposition thereof.

The Company incurred a net loss during the six months ended June 30, 2020 of \$1,601,953 and has an accumulated deficit at June 30, 2020 of \$11,252,742. As at June 30, 2020, the Company had cash and cash equivalents of \$2,740,849 and a working capital of \$2,421,028.

The Company’s operations to date have been financed by issuing common shares. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting, and, accordingly, they do not contain all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). Therefore, they should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS.

The unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, and are presented in Canadian dollars, and follow the same accounting policies and methods of application as the most recent annual financial statements.

The unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2020 were authorized for issue by the Board of Directors on August 27, 2020.

LIBERO COPPER & GOLD CORPORATION

Notes to the unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

	Office lease (note 7)	Leasehold improvements	Office equipment	Total
Cost				
Balance, December 31, 2019 and June 30, 2020	\$ 313,605	\$ 20,378	\$ 6,617	\$ 340,600
Accumulated depreciation				
Balance, December 31, 2019	\$ (52,267)	\$ (3,937)	\$ (550)	\$ (56,754)
Depreciation	(31,360)	(1,968)	(419)	(33,747)
Balance, June 30, 2020	\$ (83,627)	\$ (5,905)	\$ (969)	\$ (90,501)
Net book value, June 30, 2020	\$ 229,978	\$ 14,473	\$ 5,648	\$ 250,099
Net book value, December 31, 2019	\$ 261,338	\$ 16,441	\$ 6,067	\$ 283,846

4. MINERAL PROPERTIES

Mineral properties consist of all direct costs, including option payments and transaction costs, incurred by the Company to acquire its mineral properties. Mineral properties balances changed during the six months ended June 30, 2020, as follows:

	Mocoa	Tomichi	Big Red	Total
Balance, December 31, 2019	\$ 931,107	\$ 329,683	\$ 78,080	\$ 1,338,870
Acquisition	-	1,850	50,000	51,850
Balance, June 30, 2020	\$ 931,107	\$ 331,533	\$ 128,080	\$ 1,390,720

Mocoa Porphyry Copper-Molybdenum Deposit

In June 2018, the Company closed a transaction with B2 Gold Corp. to acquire Mocoa Ventures Ltd., which holds 100% of the Mocoa porphyry copper-molybdenum deposit in Colombia ("Mocoa"), in return for the issuance of 10,400,000 common shares of the Company and a 2% net smelter return royalty ("NSR royalty").

Tomichi Porphyry Copper-Molybdenum Deposit

In December 2016, the Company entered into an option agreement to purchase the Tomichi porphyry copper-molybdenum deposit ("Tomichi") in Colorado and incurred a total of \$331,533 of acquisition costs as at June 30, 2020 (December 31, 2019: \$329,683). The Company has an option until December 16, 2022 to acquire 100% of Tomichi for an exercise price of US \$2 million (the "Exercise Price"). The Company must make the following option payments in order to maintain rights under the option agreement:

- US \$7,500 on December 16, 2016 (paid);
- US \$40,000 on January 16, 2017 (paid);
- US \$60,000 on December 16, 2017 (paid);
- US \$80,000 on December 16, 2018 (paid);
- US \$25,000 on December 16, 2019 (paid);
- US \$40,000 on December 16, 2020; and
- US \$60,000 on December 16, 2021.

Option payments made to maintain the option are not credited against the Exercise Price. However, at any time the option may be exercised early by paying the Exercise Price with no further option payments required.

On July 27, 2020, the Company signed an amendment to the option agreement (note 12).

LIBERO COPPER & GOLD CORPORATION

Notes to the unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

4. MINERAL PROPERTIES (CONTINUED)

Big Red Porphyry Gold-Copper Property

In February 2019, the Company closed an option agreement to acquire 100% of the Big Red porphyry gold-copper property in the Golden Triangle in British Columbia, Canada ("Big Red"), and incurred a total of \$128,080 of acquisition costs as at June 30, 2020 (December 31, 2019: \$78,080). The Company, at its option, may acquire 100% of Big Red in return for the issuance of 2,000,000 common shares of the Company and cash payments of \$440,000 over four years (the "Option") as follows:

- \$20,000 and 100,000 common shares on January 25, 2019 (paid and issued, respectively);
- \$30,000 and 200,000 common shares on January 25, 2020 (paid and issued, respectively);
- \$40,000 and 300,000 common shares on January 25, 2021;
- \$50,000 and 400,000 common shares on January 25, 2022; and
- \$300,000 and 1,000,000 common shares on January 25, 2023.

The vendors have retained a 1% NSR royalty, 0.5% of which may be repurchased by the Company at any time for \$10 million.

Exploration

The following is a summary of the Mocoa, Tomichi, and Big Red exploration expenses for the six months ended June 30, 2020 and 2019:

For the six months ended June 30, 2020	Mocoa	Tomichi	Big Red	Total
Technical and geological consulting	\$ 146,823	\$ -	\$ 24,254	\$ 171,077
Geochemical and mapping	-	-	171,041	171,041
Drilling	-	-	88,752	88,752
License and permits	27,938	5,559	49,519	83,016
Field and camp	21,968	12,985	9,000	43,953
Total exploration expenses	\$ 196,729	\$ 18,544	\$ 342,566	\$ 557,839

For the six months ended June 30, 2019	Mocoa	Tomichi	Big Red	Total
Technical and geological consulting	\$ 137,462	\$ 15,355	\$ 103,715	\$ 256,532
License and permits	36,411	4,995	-	41,406
Field and camp	23,603	15,873	-	39,476
Total exploration expenses	\$ 197,476	\$ 36,223	\$ 103,715	\$ 337,414

5. OTHER RECEIVABLES

As at	June 30, 2020	December 31, 2019
Reclamation bond – Big Red	\$ 44,000	\$ 29,000
Security deposit – Office Lease	28,081	28,081
Total	\$ 72,081	\$ 57,081

LIBERO COPPER & GOLD CORPORATION

Notes to the unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	June 30, 2020	December 31, 2019
Trade payables	\$ 131,003	\$ 83,531
Other accrued liabilities	44,763	63,487
Total	\$ 175,766	\$ 147,018

7. RIGHT-OF-USE ASSET AND LEASE LIABILITY

On March 1, 2019, the Company entered into a 5 year corporate office lease and recorded a right-of-use asset of \$313,605 within property, plant and equipment (note 3) and a corresponding lease liability of \$313,605. The incremental borrowing rate for the lease liability recognized as of March 1, 2019 was 6.5%.

	Lease liability
Balance, March 1, 2019	\$ 313,605
Cash principal and interest payments	(59,611)
Non-cash interest expense	15,933
Balance, December 31, 2019	\$ 269,927
Cash principal and interest payments	(36,500)
Non-cash interest expense	8,399
Balance, June 30, 2020	\$ 241,826
Current portion of lease liability	49,185
Long-term portion of lease liability	\$ 192,641

8. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

On January 7, 2020, the Company issued 200,000 common shares at an estimated fair value of \$20,000 in accordance with the Big Red option agreement (note 4).

On March 12, 2020, the Company closed a non-brokered private placement of 4,500,000 units at a price of \$0.10 per unit for aggregate gross proceeds of \$450,000 (\$445,570 net of share issue costs). Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.15 until March 12, 2022.

On May 13, 2020, May 21, 2020, and June 3, 2020 the Company closed multiple tranches of a non-brokered private placement consisting of: (i) 14,875,000 units at a price of \$0.10 per unit (the "NFT Unit Offering"), (ii) 10,980,000 units at a price of \$0.11 per unit (the "FT Unit Offering") and (iii) 8,700,000 units at a price of \$0.15 per unit (the "Super FT Unit Offering"). Aggregate gross proceeds were \$4,000,300 (\$3,763,393 net of share issue costs). A 6% finder's fee was paid by issuing 967,080 NFT units at a price of \$0.10 per unit. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.15 until May 13, 2022.

If the closing price of the common shares is at a price equal to or greater than \$0.20 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the warrants by giving notice, via a new release, to the holders of the warrants that the warrants will expire on the date that is 30 days after the issuance of said news release.

LIBERO COPPER & GOLD CORPORATION**Notes to the unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***8. SHARE CAPITAL (CONTINUED)****a) Authorized share capital (continued)**

Common Shares issued under the FT Unit Offering and Super FT Unit Offering qualify as flow-through shares. The gross proceeds from the FT Unit Offering and Super FT Unit Offering will be used to incur 'Canadian exploration expenses' which qualify as 'flow-through mining expenditures' as those terms are defined in the Income Tax Act and will be renounced to the initial purchaser of the flow-through shares (note 9).

As at June 30, 2020, the Company had 133,483,472 common shares issued and outstanding.

b) Warrants

As part of the private placements completed during the six months ended June 30, 2020, for each common share the Company issued one share purchase warrant. Accordingly, 40,022,080 warrants were issued. Each warrant entitles the holder thereof to acquire one common share for a period of 24 months from closing at a price of \$0.15 per common share.

Information regarding warrants outstanding at June 30, 2020 is as follows:

	Warrants outstanding		Weighted average exercise price
Outstanding, December 31, 2019	34,250,000	\$	0.14
Issued	40,022,080		0.15
Outstanding, June 30, 2020	74,272,080	\$	0.15

As at June 30, 2020, the Company had 74,272,080 warrants outstanding, with an average exercise price of \$0.15 and a remaining life of 1.42 years:

Expiry date	Warrants outstanding		Weighted average exercise price	Weighted average remaining life (years)
March 1, 2021	2,550,000	\$	0.10	0.67
April 8, 2021	1,700,000		0.10	0.77
June 7, 2021	30,000,000		0.15	0.94
March 12, 2022	4,500,000		0.15	1.70
May 13, 2022	35,522,080		0.15	1.87
	74,272,080	\$	0.15	1.42

The Company has calculated and recorded to contributed surplus the fair value of 40,022,080 warrants issued of \$1,430,063 based on the relative fair value model with the following weighted average variables:

Risk free interest rate	0.32%
Expected volatility	134.56%
Expected life (years)	2
Expected dividends (yield)	0%
Fair value per warrant	\$ 0.05

LIBERO COPPER & GOLD CORPORATION**Notes to the unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***8. SHARE CAPITAL (CONTINUED)****c) Share Purchase Options**

Information regarding share purchase options outstanding at June 30, 2020 is as follows:

	Options outstanding		Weighted average exercise price
Outstanding, December 31, 2019	8,650,000	\$	0.11
Expired	(150,000)		0.15
Outstanding, June 30, 2020	8,500,000	\$	0.10

Information regarding share purchase options outstanding and exercisable at June 30, 2020 is as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining life (years)
March 16, 2021	850,000	850,000	\$ 0.10	0.71
May 19, 2021	200,000	200,000	0.10	0.88
December 15, 2022	575,000	575,000	0.10	2.46
December 11, 2023	5,325,000	5,325,000	0.09	3.45
October 2, 2024	1,550,000	775,000	0.15	4.26
	8,500,000	7,725,000	\$ 0.10	3.20

Share-based compensation expense related to share purchase options for the three and six months ended June 30, 2020, was \$32,544 and \$95,530, respectively (June 30, 2019: \$124,666 and \$202,588), and has been recorded in the consolidated statements of comprehensive loss.

9. FLOW-THROUGH SHARE PREMIUM LIABILITY

The following is a continuity schedule of the liability portion of the Company's flow-through share issuances:

	Flow-through share premium liability
Balance, December 31, 2019	\$ -
Liability incurred on flow-through shares issued	544,800
Settlement of flow-through share premium liability upon incurring qualifying expenses	(74,272)
Balance, June 30, 2020	\$ 470,528

During the six months ended June 30, 2020, the Company incurred \$342,566 of flow-through expenditures (note 4). The Company derecognized the associated flow-through share premium liability and recognized a deferred income tax recovery of \$74,272 in the Company's consolidated financial statements for the three and six months ended June 30, 2020.

LIBERO COPPER & GOLD CORPORATION

Notes to the unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

10. RELATED PARTY TRANSACTIONS

Key management, directors, and officers received the following salaries and benefits during the six months ended June 30, 2020 and 2019:

For the six months ended	June 30, 2020	June 30, 2019
Share-based compensation	\$ 65,253	\$ 163,254
Employee salaries and benefits	174,888	183,818
	<u>\$ 240,141</u>	<u>\$ 347,072</u>

The following table provides outstanding balances and the total amount of transactions, which have been entered into by the Company with related parties during the six months ended June 30, 2020 and 2019:

For the six months ended	June 30, 2020	June 30, 2019
Purchases:		
Costs recharged from a company controlled by director Ian Slater	\$ 100,000	\$ 200,000
Legal fees to Farris, Vaughan, Wills & Murphy LLP in which director Jay Sujir is a partner	\$ 23,858	\$ 17,228
As at	June 30, 2020	December 31, 2019
Amounts owed to:		
Farris, Vaughan, Wills & Murphy LLP in which director Jay Sujir is a partner	\$ 10,376	\$ 13,567

Related party transactions are measured at the amounts agreed upon by the parties.

11. FINANCIAL INSTRUMENTS

Fair value

Management assessed that the fair values of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments. The Company currently has no financial instruments measured at fair value.

12. SUBSEQUENT EVENTS

Tomichi Porphyry Copper-Molybdenum Deposit

On July 27, 2020, the Company signed an amendment to the option agreement amending the term to acquire 100% of Tomichi from December 16, 2021 to December 16, 2022 for an exercise price of US \$2 million rather than US \$4.1 million (note 4). The Company must make the following option payments in order to maintain rights under the option agreement:

- US \$40,000 on December 16, 2020; and
- US \$60,000 on December 16, 2021.

Upon acquiring 100% of Tomichi, the Company shall grant a 0.5% NSR royalty to vendors, 0.25% of which may be repurchased by the Company at any time for \$250,000.