



# LIBERIO

## COPPER

**LIBERIO COPPER CORPORATION**

**Management's Discussion and Analysis**

**For the three and nine months ended September 30, 2018**

## **LIBERO COPPER CORPORATION**

### **Management's Discussion and Analysis**

#### **For the three and nine months ended September 30, 2018**

##### **INTRODUCTION**

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Libero Copper Corporation ("Libero" or the "Company") during the three and nine months ended September 30, 2018 and to the date of this report. This MD&A supplements but does not form part of the unaudited condensed interim consolidated financial statements of the Company and the notes thereto for the three and nine months ended September 30, 2018. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statement for the three and nine months ended September 30, 2018 and the audited consolidated financial statements for the year ended December 31, 2017 and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

Additional information related to Libero is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.liberocopper.com](http://www.liberocopper.com).

This MD&A contains information up to and including November 19, 2018.

##### **FORWARD-LOOKING INFORMATION**

Certain statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to page 11 of this MD&A.

##### **COMPANY OVERVIEW**

The Company was incorporated under the Business Corporations Act (British Columbia) on June 5, 2008. The Company changed its name from Libero Mining Corporation to Libero Copper Corporation on November 1, 2017. The Company is listed on the TSX Venture Exchange ("Exchange") as a Tier 2 Mining Company under the symbol "LBC" and on the OTCQB market under the symbol "LBCMF". The Company is engaged in the acquisition and exploration of mineral properties.

##### **QUALIFIED PERSONS**

The technical information contained in this MD&A has been reviewed and approved by Libero Copper's Executive Vice President of Exploration, Leo Hathaway P.Geol., who is a Qualified Person, as defined under NI 43-101.

##### **COMPANY DEVELOPMENTS AND OUTLOOK**

The Company is focused on acquiring additional high-quality copper deposits in the Americas with a significant resource but without any fatal flaws or significant holding costs. These assets will be advanced and de-risked by a seasoned team to minimize dilution and maximize shareholder value.

The Company expects drill permits for both the Tomichi and Mocoa porphyry copper-molybdenum deposits in the first half of 2019.

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#### MINERAL PROPERTIES

##### Mocoa Porphyry Copper-Molybdenum Deposit

In June 2018, the Company acquired 100% of the Mocoa porphyry copper-molybdenum deposit ("Mocoa") in Colombia from B2Gold Corp. in return for issuance of 10,400,000 common shares, which comprises a 19% stake in the Company, and a 2% net smelter return royalty on the project. The Company has retained a right of first refusal on any sale of the royalty. B2Gold has been granted a right to participate in future equity financings to maintain its ownership interest in the Company.

The Mocoa property is located 10 kilometres from the town of Mocoa, near the Ecuador border, in the Eastern Cordillera of Colombia. The Eastern Cordillera is a 30-kilometre-wide tectonic belt underlain by volcano-sedimentary, sedimentary and intrusive rocks that range in age from Triassic-Jurassic to Quaternary, and by remnants of Paleozoic metasediments and metamorphic rocks of Precambrian age. This belt hosts several other porphyry-copper deposits, such as Mirador, San Carlos, Panantza, and Warintza, located in Ecuador.

Copper-molybdenum mineralization is associated with a dacite porphyry intrusion of Middle Jurassic age emplaced into andesitic and dacitic volcanics. The Mocoa porphyry system exhibits a classical zonal pattern of hydrothermal alteration and mineralization, with a deeper central core of potassic alteration overlain by sericitization and surrounded by propylitization. Mineralization consists of disseminated chalcopyrite, molybdenite and local bornite associated with multiphase veins, stockworks and hydrothermal breccias. The Mocoa deposit forms a continuous zone of copper and molybdenum mineralization over an area measuring approximately 1,200 metres by 1,400 metres and extending to depths of more than 1,000 metres below surface.

Mocoa was discovered in 1973 by the predecessor of the El Servicio Geológico Colombiano. Between 1978 and 1983, 18,321 metres of diamond drilling in 31 holes were completed. In 2008 and 2012, B2 Gold Corp. completed 5,123 metres in 9 holes, and 1,768 metres in 3 holes, respectively.

The resource estimate for Mocoa consists of an Inferred mineral resource of 636 million tonnes at a grade of 0.45% copper equivalent containing 4.6 billion pounds of copper and 511 million pounds of molybdenum. Table 1 shows the sensitivity of the resource, listed at a variety of cut-off grades for comparison purposes, contained inside a resource limiting pit shell that has been generated based on a copper price of US\$3/lb and a molybdenum price of US\$10/lb. The base case resource assumes a cut-off grade of 0.25% copper equivalent.

**Table 1: Sensitivity of Inferred Mineral Resource at Mocoa**

Cut-off (CuEq%)*	Million Tonnes	CuEq* (%)	Copper (%)	Molybdenum (%)	Contained Metal		
					CuEq* (Blbs)	Copper (Blbs)	Molybdenum (Mlbs)
0.15	721	0.42	0.31	0.035	6.68	4.85	550
0.20	683	0.43	0.32	0.035	6.54	4.77	530
<b>0.25</b>	<b>636</b>	<b>0.45</b>	<b>0.33</b>	<b>0.036</b>	<b>6.31</b>	<b>4.60</b>	<b>511</b>
0.30	553	0.48	0.35	0.039	5.81	4.24	470
0.35	433	0.52	0.38	0.042	4.96	3.62	405
0.40	330	0.57	0.41	0.047	4.12	2.99	342
0.45	259	0.61	0.44	0.051	3.47	2.50	293
0.50	201	0.65	0.46	0.056	2.87	2.04	248
0.55	148	0.69	0.49	0.061	2.26	1.60	200
0.60	106	0.74	0.52	0.067	1.73	1.21	156

\*CuEq% is based on US\$3/lb. Cu, US\$10/lb. Mo

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#### MINERAL PROPERTIES (CONTINUED)

For further details, refer to press release dated May 9, 2018 and technical report entitled "NI 43-101 Technical Report for the Mocoa Copper-Molybdenum Project, Colombia", dated effective October 6, 2016, and authored by Michel Rowland Brepsant, FAusIMM, Robert Sim, P.Geo., and Bruce Davis, FAusIMM, all independent "qualified persons" as defined by Canadian Securities Administrators *National Instrument 43-101 ("NI-43101")*, which are both available on [www.sedar.com](http://www.sedar.com).

#### Tomichi Porphyry Copper-Molybdenum Deposit

On December 16, 2016, the Company entered into an option agreement to purchase the Tomichi porphyry copper-molybdenum deposit ("Tomichi") in Colorado and incurred a total of \$182,633 of acquisition costs as at September 30, 2018. The Company has a five-year option until December 16, 2021 to acquire 100% of Tomichi for an exercise price of US \$4 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\$125,000 on December 16, 2019; and
- US\$150,000 on December 16, 2020.

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.

Tomichi is located on the southern edge of the Sawatch Range in the Tomichi Mining District, Gunnison County, Southwestern Colorado and consists of 49 unpatented lode mining claims with a total area of 409 hectares located on US Department of Agriculture Forest Service land.

Mineralization at Tomichi is a typical porphyry deposit characterized by disseminated and fracture controlled molybdenite and chalcopyrite hosted by a mid-Tertiary, potassic altered, intrusive system dominated by a porphyritic quartz monzonite. The mineralized porphyry is exposed at surface on top of Copper Hill. Diamond drilling has intersected copper-molybdenum mineralization over a surface area in excess of 1,500 metres by 800 metres, to a depth of at least 600 metres and remains open to the north, east and at depth.

Tomichi was initially worked on in the 1950's by Climax Molybdenum Co. and in the 1980's by Molycorp Inc. The only drilling that has been carried out since then were five diamond holes in 2012. In total 52 diamond core drill holes were completed comprising 16,612 metres of drilling.

The resource estimate for Tomichi consists of an Inferred mineral resource of 711 million tonnes at a grade of 0.33% copper equivalent containing 3.3 billion pounds of copper, 555 million pounds of molybdenum, 393 thousand ounces of gold, 46 million ounces of silver and 339 thousand pounds of rhenium. Table 1 shows the sensitivity of the resource, listed at a variety of cut-off grades for comparison purposes, contained inside a resource limiting pit shell that has been generated based on a copper price of US\$3/lb and a molybdenum price of US\$10/lb. The base case resource assumes a cut-off grade of 0.25% copper equivalent. The copper equivalent number only includes molybdenum and excludes gold, silver and rhenium as older drill holes were not assayed for those minerals.

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**MINERAL PROPERTIES (CONTINUED)**

**Table 1: Sensitivity of Inferred Mineral Resources to Cut-off Grade**

Cut-off CuEq%*	Million tonnes	Average Grade						Contained Metal				
		CuEq* (%)	Cu (%)	Mo (%)	Au (g/t)	Ag (g/t)	Re (g/t)	Cu (Blbs)	Mo (Mlbs)	Au (koz)	Ag (Moz)	Re (klbs)
0.1	1,002	0.29	0.19	0.031	0.015	1.8	0.193	4.17	689	493	57.2	426
0.15	990	0.30	0.19	0.032	0.015	1.8	0.194	4.15	687	490	56.9	423
0.2	906	0.31	0.20	0.033	0.016	1.8	0.202	3.93	655	460	53.7	402
<b>0.25</b>	<b>711</b>	<b>0.33</b>	<b>0.21</b>	<b>0.035</b>	<b>0.017</b>	<b>2.0</b>	<b>0.216</b>	<b>3.31</b>	<b>555</b>	<b>393</b>	<b>45.6</b>	<b>339</b>
0.3	480	0.36	0.23	0.039	0.019	2.1	0.231	2.42	412	287	33.2	244
0.35	264	0.39	0.25	0.043	0.020	2.3	0.247	1.43	249	168	19.8	144

\*CuEq% is based on US\$3/lb. Cu, US\$10/lb. Mo

For further details, refer to press release dated June 1, 2017, and technical report entitled "NI 43-101 Updated Technical Report for the Tomichi Copper-Molybdenum Project Gunnison County, Colorado", dated effective March 1, 2017, and authored by Paul D. Gray and Robert C. Sim, both of Gault Group, LLC, who are both independent "qualified persons" as defined by NI 43-101, which are both available on [www.sedar.com](http://www.sedar.com).

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#### RESULTS OF OPERATIONS

##### THREE MONTHS ENDED SEPTEMBER 30, 2018 COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 2017

The Company reported a net loss of \$84,591 for the three months ended September 30, 2018, compared to a net loss of \$68,276 for the three months ended September 30, 2017.

Following is an analysis of the significant items and variances between the three months ended September 30, 2018 and 2017.

<b>For the three months ended September 30:</b>	<b>2018</b>	<b>2017</b>	
Exploration expenses	\$37,108	\$8,283	Increase due to exploration activities on Mocoa and maintenance fees paid for Tomichi during the quarter.
Professional fees	9,572	15,465	Decrease due to timing difference in expense recognition.

##### NINE MONTHS ENDED SEPTEMBER 30, 2018 COMPARED TO THE NINE MONTHS ENDED SEPTEMBER 30, 2017

The Company reported a net loss of \$176,862 for the nine months ended September 30, 2018, compared to a net loss of \$415,781 for the nine months ended September 30, 2017.

Following is an analysis of the significant items and variances between the nine months ended September 30, 2018 and 2017.

<b>For the nine months ended September 30:</b>	<b>2018</b>	<b>2017</b>	
Exploration expense	\$54,768	\$239,746	Decrease due to reduced exploration and evaluation activities at the Tomichi project.
General and administration	49,416	75,996	Decrease due to reduced corporate and investor relation activities.
Professional fees	37,477	26,007	Increase due to higher accounting, tax, and legal fees due to the Company operating in multiple jurisdictions.
Projects evaluation	-	21,061	Decrease due to timing and no additional spending on other projects in 2018

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**SUMMARY OF QUARTERLY RESULTS**

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Following is a summary of quarterly results for the eight most recently completed quarters. These results are taken from the interim consolidated financial statements of Libero Copper Corporation, which are prepared in accordance with IFRS applicable to interim financial statements.

<b>For the three months ended:</b>	<b>September 30, 2018</b>	<b>June 30, 2018</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Net loss	\$ 84,591	\$ 51,362	\$ 40,909	\$ 79,606
Basic and diluted loss per share	0.002	0.001	0.001	0.002

<b>For the three months ended:</b>	<b>September 30, 2017</b>	<b>June 30, 2017</b>	<b>March 31, 2017</b>	<b>December 31, 2016</b>
Net loss	\$ 68,276	\$ 212,356	\$ 135,149	\$ 100,661
Basic and diluted loss per share	0.002	0.005	0.003	0.003

The analysis provided in the Results of Operations section above provides information regarding the movements during the three months ended September 30, 2018, compared with the three months ended September 30, 2017. During the three months ended September 30, 2018, net loss increased compared to the three months ended June 30, 2018 as well as September 30, 2017 due to increased exploration activities at Tomichi as well as the Mocoa property. Net loss for the three months ended March 31, 2018, decreased due to reduced exploration activities at Tomichi. Net loss for the three months ended December 31, 2017, increased due to the grant of stock options in that quarter. During the three-month period ended March 31, 2017, the Company started incurring exploration expenses on the Tomichi project, including preparation of a technical report, and in the three months ended June 30, 2017, the Company incurred costs related to set-up and organization of the storage of historical drill core samples.

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#### LIQUIDITY AND CAPITAL RESOURCES

	September 30, 2018	December 31, 2017	December 31, 2016
Working capital	\$ 262,301	\$ 524,373	\$ 629,727
Total assets	1,471,371	738,819	725,008
Total liabilities	98,514	31,813	43,393
Share capital	6,862,804	6,030,804	5,388,295
Deficit	(5,858,478)	(5,681,616)	(5,186,229)

The Company had cash and cash equivalents of \$323,053 as at September 30, 2018 (December 31, 2017: \$525,376). The Company has maintained sufficient cash and cash equivalents at September 30, 2018 to meet short-term business requirements.

At present, the Company has no operations that generate cash flow and its financial success is dependent on the Company's ability to successfully acquire mineral properties and develop economically viable mineral deposits, and to raise required funding through future equity issuances, asset sales, or a combination thereof.

The Company relies on equity financings and the exercise of options and warrants to fund its mineral property acquisitions, exploration activities, and its general and administrative expenses. Many factors influence the Company's ability to raise funds, including the health of the global commodity prices, the climate for mineral exploration investment, the Company's track record, and the experience and quality of its management team. Actual funding requirements may vary from those expected due to a number of factors, including the progress of exploration activities.

There is no guarantee that the Company will be able to secure additional financing in the future at terms that are favourable. To date, the Company has not used debt or other means of financing to further its exploration programs, and the Company has no plans to use debt financing at the present time.

#### OUTSTANDING SHARE DATA

##### Common shares

As at September 30, 2018 and as at the date of this MD&A, the Company had 54,589,964 common shares issued and outstanding (December 31, 2017: 44,189,964).

##### Warrants

As at September 30, 2018, and as at the date of this MD&A, the Company had 4,250,000 warrants outstanding.

##### Options

As at September 30, 2018, the Company had 3,187,500 and as at the date of this MD&A, 2,150,000 share purchase options outstanding.



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##### TRANSACTIONS WITH RELATED PARTIES

The following table provides the total amount of transactions, which have been entered into by the Company with related parties during the nine months ended September 30, 2018 and 2017:

	Nine months ended September 30,	
	2018	2017
<b>Purchases during the period</b>		
Costs recharged from a company controlled by director Ian Slater	\$ 9,000	\$ 9,000
Legal fees to Farris, Vaughan, Wills & Murphy LLP, in which one of the directors, Jay Sujir, is a partner	\$ 44,832	\$ 6,904

As of September 30, 2018, a balance of \$44,832 was owed to Farris, Vaughan, Wills & Murphy LLP for legal services rendered in connection to the acquisition of Mocoa (December 31, 2017 - \$Nil). There was no cash compensation paid to directors or officers of the Company during the nine months ended September 30, 2018 and 2017. The share-based payment expense related to members of executive management for the nine months ended September 30, 2018 was \$1,647 (2017: \$1,217). There were no other forms of compensation paid to management during the nine months ended September 30, 2018 and 2017.

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

##### CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual financial statements, except, for those policies disclosed in Note 2 to the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2018.

Effective January 1, 2018, the Company adopted new IFRS pronouncements – IFRS 9 – Financial Instruments ("IFRS 9") Financial instruments and IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"). The effect of adoption of these new pronouncements is outlined in the Management's Discussion and Analysis for the three months ended March 31, 2018.

##### Standards and interpretations issued but not yet effective

The following new standard, and its amendments and interpretations, were not yet effective as of September 30, 2018, and have not been applied in preparing the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2018.

##### *IFRS 16 Leases*

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption. The objective of IFRS 16 is to bring all leases on-balance sheet for lessees. IFRS 16 requires lessees to recognize a "right of use" asset and liability calculated using a prescribed methodology. The Company is assessing IFRS 16's impact on its financial statements and has not yet determined the impact.

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#### **FINANCIAL INSTRUMENTS**

The Company has designated its cash and cash equivalents as a financial asset at amortized cost and accounts payable and accrued liabilities as financial liabilities at amortized cost.

##### **Fair value**

Management assessed that the fair values of cash and cash equivalents, 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.

#### **CAPITAL COMMITMENTS AND OFF BALANCE SHEET ARRANGEMENTS**

As of the date of this MD&A, the Company has no other capital commitments, nor any off-balance sheet arrangements.

#### **RISKS AND UNCERTAINTIES**

The Company is in the business of acquiring, exploring, and developing mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation, and other risks. The Company currently has no source of revenue. The Company will rely mainly on equity financing to fund acquisitions and its other activities. For further discussion related to risks and uncertainties, please refer to the Company's annual Management's Discussion and Analysis for the year ended December 31, 2017, available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES**

As permitted, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and respective accompanying Management's Discussion and Analysis. In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

#### **APPROVAL**

The Audit Committee of the Board of Directors of the Company has approved the disclosure contained in this MD&A on November 19, 2018. A copy of this MD&A is filed on SEDAR.

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#### FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" (also referred to as "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this MD&A, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic, and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: potential acquisitions, financing of the Company's acquisitions and other activities, exploration, development and operation of mining properties, and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors, including those set out below, that may never materialize, prove incorrect, or materialize other than as currently contemplated, which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact, and may be forward-looking statements.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation:

- the ability of the Company to successfully acquire mining assets;
- access to funding to support the Company's strategic plans and/or operating activities in the future;
- the volatility of currency exchange rates, metal prices, and metal production;
- the continued participation in the Company of certain key employees; and
- risks normally incident to the acquisition, exploration, development, and operation of mining properties.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and forward-looking oral statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events, or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online at [www.sedar.com](http://www.sedar.com).