

LIBERO COPPER

LIBERO COPPER & GOLD CORPORATION

Consolidated financial statements

For the years ended December 31, 2023 and 2022

LIBERO COPPER & GOLD CORPORATION
Consolidated statements of financial position
(expressed in Canadian dollars)

As at	Notes	December 31, 2023	December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents		\$ 493,750	\$ 66,432
Restricted cash		30,000	50,000
Amounts receivable		91,845	260,716
Prepaid expenses		56,013	80,864
		671,608	458,012
Non-current assets			
Property and equipment	4	458,593	795,423
Mineral properties	5	1,178,005	2,413,321
Investments	6	-	180,000
Reclamation bonds and deposits	7	104,081	104,081
		1,740,679	3,492,825
Total assets		\$ 2,412,287	\$ 3,950,837
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	\$ 1,648,580	\$ 591,533
Flow-through share premium liability	11	-	126,400
Current portion of lease liabilities	9	18,943	141,439
Loans from related parties	13	300,164	-
		1,967,687	859,372
Non-current liabilities			
Lease liabilities	9	188,228	188,137
		188,228	188,137
Total liabilities		\$ 2,155,915	\$ 1,047,509
SHAREHOLDERS' EQUITY			
Share capital	10	\$ 37,122,308	\$ 33,507,032
Reserves		9,641,629	8,338,169
Accumulated other comprehensive income		73,605	63,785
Deficit		(46,581,170)	(39,005,658)
Total shareholders' equity		256,372	2,903,328
Total liabilities and shareholders' equity		\$ 2,412,287	\$ 3,950,837
Nature of operations and going concern	1		
Subsequent events	18		

On behalf of the Board of Directors:

(signed) "Jay Sujir"
Director

(signed) "Ian Harris"
Director

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

LIBERO COPPER & GOLD CORPORATION
Consolidated statements of loss and comprehensive loss
(expressed in Canadian dollars)

For the year ended	Notes	December 31, 2023	December 31, 2022
EXPENSES			
Exploration	5	\$ 3,219,857	\$ 9,369,550
Share-based compensation	10(c), 13	110,539	1,177,656
Investor relations		606,099	1,010,514
General and administration		484,871	647,369
Salaries and benefits	13	539,463	522,875
Professional fees	13	205,344	289,391
Depreciation	4	214,453	232,219
Total operating expenses		<u>5,380,626</u>	<u>13,249,574</u>
OTHER (INCOME) EXPENSES			
Loss on investments	6	66,830	820,000
Foreign exchange loss (gain)		159,668	(35,086)
Write-off of mineral properties	5	1,896,104	-
Write-off of accounts receivable		152,748	-
Interest and other expense		45,936	38,741
Loss before income taxes		<u>7,701,912</u>	<u>14,073,229</u>
Settlement of flow-through share premium liability	11	<u>(126,400)</u>	<u>(347,172)</u>
Net loss for the year		<u>\$ 7,575,512</u>	<u>\$ 13,726,057</u>
Other comprehensive income			
Foreign currency translation difference for foreign operations		<u>(9,820)</u>	<u>(58,089)</u>
Total comprehensive loss for the year		<u>\$ 7,565,692</u>	<u>\$ 13,667,968</u>
Basic and diluted loss per share		\$ 0.67	\$ 0.20
Weighted average number of common shares outstanding		11,291,274	6,935,943

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

LIBERO COPPER & GOLD CORPORATION
Consolidated statements of changes in shareholders' equity
(expressed in Canadian dollars)

	Notes	Number of shares	Share capital	Reserves	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2021		5,644,781	\$ 25,527,872	\$ 6,319,734	\$ 5,696	\$ (25,279,601)	\$ 6,573,701
Private placement, gross proceeds	10(a),(b)	2,741,467	8,035,395	1,004,987	-	-	9,040,382
Share issue costs		-	(353,024)	18,038	-	-	(334,986)
Flow-through share premium liability		-	(473,572)	-	-	-	(473,572)
Shares issued for mineral property acquisition, net of share issue costs	10(a)	8,000	38,400	-	-	-	38,400
Warrants exercised	10(b)	63,962	605,598	(125,883)	-	-	479,715
Share purchase options exercised	10(b)	15,000	126,363	(56,363)	-	-	70,000
Share-based compensation	10(c)	-	-	1,177,656	-	-	1,177,656
Foreign exchange translation		-	-	-	58,089	-	58,089
Net loss for the year		-	-	-	-	(13,726,057)	(13,726,057)
Balance December 31, 2022		8,473,210	\$ 33,507,032	\$ 8,338,169	\$ 63,785	\$ (39,005,658)	\$ 2,903,328
Share issuance, gross proceeds	10(a),(b)	7,748,207	4,001,639	1,127,302	-	-	5,128,941
Share issue costs		-	(411,363)	65,619	-	-	(345,744)
Shares issued for mineral property acquisition, net of share issue costs	10(a)	20,000	25,000	-	-	-	25,000
Share-based compensation	10(c)	-	-	110,539	-	-	110,539
Foreign exchange translation		-	-	-	9,820	-	9,820
Net loss for the year		-	-	-	-	(7,575,512)	(7,575,512)
Balance, December 31, 2023		16,241,417	\$ 37,122,308	\$ 9,641,629	\$ 73,605	\$ (46,581,170)	\$ 256,372

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

LIBERO COPPER & GOLD CORPORATION
Consolidated statements of cash flows
(expressed in Canadian dollars)

For the year ended	Notes	December 31, 2023	December 31, 2022
OPERATING ACTIVITIES			
Net loss for the year		\$ (7,575,512)	\$ (13,726,057)
<i>Adjustments for items not involving cash:</i>			
Share-based compensation	10(c)	110,539	1,177,656
Depreciation	4	214,453	232,219
Write-off of accounts receivable		152,748	-
Loss on disposal of equipment		7,708	-
Interest expense		53,691	43,360
Write-off of mineral properties	5	1,896,104	-
Foreign exchange loss (gain)		16,159	(35,086)
Loss on investments	6	66,830	820,000
Deferred income tax recovery		(126,400)	(347,172)
		(5,183,680)	(11,835,080)
<i>Net changes in non-cash working capital items:</i>			
Amounts receivable		208,263	102,047
Prepaid expenses		24,851	130,905
Accounts payable and accrued liabilities		982,368	(158,036)
Net cash outflows from operating activities		\$ (3,968,198)	\$ (11,760,164)
FINANCING ACTIVITIES			
Proceeds from issuance of shares	10(a),(b)	5,044,801	9,040,382
Share issue costs		(271,065)	(334,986)
Proceeds from sale of equipment		105,000	-
Proceeds from exercise of warrants and share purchase options	10(b),(c)	-	549,715
Proceeds from loan	13	412,619	-
Repayment of loan	13	(132,003)	-
Cash principal and interest payments of lease liability	9	(156,533)	(202,630)
Net cash inflows from financing activities		\$ 5,002,819	\$ 9,052,481
INVESTING ACTIVITIES			
Purchase of property and equipment	4	(1,173)	(262,183)
Proceeds from sale of marketable securities	6	113,170	-
Advance to social program	17	(108,000)	-
Reclamation bond		-	(16,000)
Restricted cash		20,000	-
Acquisition of mineral properties	5	(631,300)	(352,501)
Net cash outflows from investing activities		\$ (607,303)	\$ (630,684)
Effect of exchange rate changes on cash		-	7,231
Net (decrease) increase in cash and cash equivalents		427,318	(3,331,136)
Cash and cash equivalents, beginning of the year		66,432	3,397,568
Cash and cash equivalents, end of the year		\$ 493,750	\$ 66,432

There were no non-cash financing or investing activities for the year ended December 31, 2023 and 2022 that are not disclosed elsewhere in the consolidated financial statements.

The accompanying notes are an integral part of these consolidated financial statements

LIBERO COPPER & GOLD CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

1. NATURE OF OPERATIONS AND GOING CONCERN

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 head office and its principal place of business is Suite 3123 – 595 Burrard Street, Vancouver, British Columbia, V7X 1J1. The registered and records office is 25th Floor, 700 W Georgia St., Vancouver, BC V7Y 1B3. 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.

Shares consolidation

In February 2024, the Company completed a consolidation of its issued and outstanding common shares on the basis of one new post-consolidation common share for every ten pre-consolidation common shares. All information relating to earnings/loss per share, issued and outstanding common shares, share options and warrants, and per share amounts in these consolidated financial statements have been adjusted retrospectively to reflect the share consolidation.

Going Concern

The Company’s consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue its operations for at least twelve months from December 31, 2023 and will be able to realize its assets and discharge its liabilities in the normal course of business.

As at December 31, 2023, the Company had cash and cash equivalents of \$493,750 and a working capital deficit of \$1,296,079. For the year ended December 31, 2023, the Company incurred a loss of \$7,575,512 and used cash in operations of \$3,968,198.

The Company has not generated revenue from operations to date and will require additional financing or outside participation to undertake further exploration and subsequent development of its mineral properties. There can be no assurance that the Company will be able to raise sufficient financing on acceptable terms. Future operations of the Company are dependent upon its ability to raise additional equity financing, maintain sufficient working capital and upon future production or proceeds from the disposition of its mineral property interests. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

LIBERO COPPER & GOLD CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The consolidated financial statements have been prepared using the material accounting policy information set out in note 3.

The consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars.

The consolidated financial statements of the Company for the year ended December 31, 2023, were authorized for issue by the Board of Directors on April 29, 2024.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its 100% owned subsidiaries:

- Libero Resources Limited, a company incorporated in the British Virgin Islands, and its 100% owned subsidiary Libero Cobre Ltd., a company incorporated in the British Virgin Islands, which holds the Mocoa porphyry copper-molybdenum deposit in Colombia.
- Libero Esperanza Ltd., a company incorporated in the British Virgin Islands, which holds the Esperanza porphyry copper-gold project in Argentina.

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from the Company's involvement with the entity and has the ability to affect those returns through the Company's power over the entity.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The results of a subsidiary are included in the consolidated financial statements from the date that control commences until the date the control ceases. All intercompany transactions and balances have been eliminated. The material accounting policies applied in the preparation of the consolidated financial statements are set out below.

a) Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company and most of its subsidiaries is the Canadian dollar. Libero Esperanza Ltd, the Company's wholly-owned subsidiary in Argentina, ("LEL") uses the United States dollar as its functional currency. The consolidated financial statements are presented in Canadian dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in net loss.

b) Property and equipment

Items of equipment are initially recognized at cost. All items of equipment are subsequently carried at depreciated cost less impairment losses, if any.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) Property and equipment *(continued)*

Depreciation is provided on all items of equipment to write off the carrying value of items over their expected useful lives. It is applied using the following methods and rates:

- Computer Hardware – 30% declining balance per annum
- Machinery and Equipment – 30% declining balance per annum
- Office Equipment – 20% declining balance per annum
- Right of Use Asset and Leasehold Improvements – straight-line over the lease term

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

c) Mineral properties

The Company defers the cost of acquiring and maintaining its interest in mineral properties until the properties are placed into production, abandoned, sold or considered to be impaired in value. Other exploration and evaluation expenditures are expensed as incurred until the technical feasibility and commercial viability of the project can be established, after which such costs will be capitalized as mineral property development costs within property and equipment. The carrying value will be amortized on a units of production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in exploration and evaluation stage mineral properties are credited to the carrying value of the assets, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring its mineral properties and has not yet determined the existence of reserves. Management reviews the carrying value of mineral properties every quarter for impairment indicators. For exploration and evaluation assets, these indicators include the current exploration results, the prospect of further work being carried out by the Company and the assessment of future probability of profitable revenues from the property or from the sale of the assets. Amounts shown for mineral properties represent costs incurred net of any write-downs and recoveries and are not intended to represent present or future values.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of (i) an asset's or cash-generating unit's (CGU) fair value less costs to sell and (ii) its value in use, determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

e) Financial instruments

Financial instruments – Classification

Financial assets are classified at initial recognition as either: measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

e) Financial instruments *(continued)*

For assets measured at fair value, gains and losses will either be recorded in earnings or loss or other comprehensive income or loss. For investments in debt instruments, this will depend on the business model for which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Financial liabilities are classified at initial recognition as either: measured at amortized cost or FVTPL.

Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in earnings or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost – Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in earnings or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest and finance (expense) income using the effective interest rate method.
- FVOCI – Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in earnings or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to earnings or loss and recognized in other gains (losses). Interest income from these financial assets is included in interest and finance (expense) income using the effective interest rate method. Foreign exchange gains and losses are presented in foreign exchange (loss) gain and impairment expenses in other expenses.
- FVTPL – Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in earnings or loss and presented net in the statement of earnings (loss) within other gains (losses) in the period in which it arises.

Changes in the fair value of financial assets at FVTPL are recognized in loss on financial instruments at fair value in the statement of earnings (loss) as applicable.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with any debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

e) Financial instruments *(continued)*

Financial liabilities - Measurement

Accounts payable and accrued liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest rate method.

f) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and if it has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset, which is included in property and equipment, and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which is the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

Lease payments included in the measurement of the lease liability comprise: fixed payments; variable lease payments that depend on an index or a rate; amounts expected to be payable under any residual value guarantee, and the exercise price under any purchase option that the Company would be reasonably certain to exercise; lease payments in any optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for any early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

g) Taxation

Tax expense recognized in comprehensive loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization or settlement, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are recognized for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

g) Taxation (continued)

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and any unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to set off current tax assets and liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax expense in net loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

h) Flow-through shares

The Company may, from time to time, issue flow-through common shares or units to finance a portion of its Canadian exploration programs. Pursuant to the terms of the flow-through share agreements and the Income Tax Act (Canada) (the "ITA"), these equity instruments transfer the tax deductibility of qualifying resource expenditures to investors.

Upon the issuance of a flow-through share, the Company bifurcates the flow-through share into i) fair value of capital stock issued, based on market price at time of issuance, and ii) the residual as a flow-through share premium, which is recognized as a liability. Upon the issuance of a flow-through unit, the Company bifurcates the flow-through unit into i) relative fair value of capital stock issued, ii) relative fair value of a warrant, and iii) the residual as a flow-through share premium, which is recognized as a liability.

Upon incurring qualifying expenses, the Company derecognizes the related portion of the low-through share premium liability and recognizes a credit to deferred income tax expense (recovery). Proceeds received from the issuance of flow-through shares are to be used for Canadian resource property exploration expenditures within a certain time period as prescribed by the Government of Canada's flow-through regulations, as contained in the ITA. The portion of the proceeds received but not yet expended at the end of the Company's relevant reporting period is disclosed separately in the notes to the consolidated financial statements as flow-through expenditure commitments. The Company is also subject to Part XII.6 of the ITA, which imposes a tax on flow-through proceeds renounced under the "Look-back Rule", in accordance with the Government of Canada's flow-through regulations. When applicable, this tax is accrued until paid.

i) Share-based compensation

The Company grants share purchase options as an element of compensation. For share purchase options granted by the Company, the cost of the service received is measured based on an estimate of the fair value at the date of grant. The grant-date fair value is recognized as compensation expense over the vesting period with a corresponding increase in reserves. On the exercise of share purchase options, consideration received, together with the compensation expense previously recorded to reserves, is credited to share capital.

The Company uses the Black-Scholes option pricing model to estimate the fair value of each share purchase option tranche at the date of grant.

LIBERO COPPER & GOLD CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

j) Loss per share

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the year. The Company uses the treasury share method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year.

k) Accounting policy judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Information about significant accounting policy judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Impairment

The Company's assets are reviewed for the indication of impairment at each reporting date in accordance with IFRS 6 - Exploration for and evaluation of mineral resources.

Management applies judgment in evaluating if impairment indicators are considered to exist. Factors considered include if (i) the right to explore the area has expired or will expire in the near future with no expectation of renewal; (ii) Substantive expenditure on further exploration for and evaluation of mineral resources in the area is neither planned nor budgeted; (iii) No commercially viable deposits have been discovered, and the decision had been made to discontinue exploration in the area; and (iv) Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Management has assessed its exploration and evaluation assets for impairment as of December 31, 2023 and has determined that there are no indications of impairment.

l) Standards issued or amended but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

LIBERO COPPER & GOLD CORPORATION
Notes to the consolidated financial statements
(expressed in Canadian dollars, unless otherwise stated)

4. PROPERTY AND EQUIPMENT

	Right-of-use- assets (note 9)	Leasehold improvements	Office equipment	Machinery and equipment	Computer hardware	Total
Cost						
Balance, January 1, 2022	\$ 407,328	\$ 25,826	\$ 10,622	\$ 175,321	\$ 15,333	\$ 634,430
Additions	370,399	-	12,820	173,131	76,614	632,964
Disposals	-	-	(380)	-	-	(380)
Balance, December 31, 2022	\$ 777,727	\$ 25,826	\$ 23,062	\$ 348,452	\$ 91,947	\$ 1,267,014
Disposal/Adjustment	(10,842)	-	-	(170,000)	-	(180,842)
Additions	-	-	-	-	1,173	1,173
Balance, December 31, 2023	\$ 766,885	\$ 25,826	\$ 23,062	\$ 178,452	\$ 93,120	\$ 1,087,345
Accumulated depreciation						
Balance, January 1, 2022	\$ (219,665)	\$ (12,266)	\$ (2,252)	\$ (4,419)	\$ (770)	\$ (239,372)
Depreciation	(166,857)	(5,016)	(1,884)	(47,122)	(11,340)	(232,219)
Balance, December 31, 2022	\$ (386,522)	\$ (17,282)	\$ (4,136)	\$ (51,541)	\$ (12,110)	\$ (471,591)
Disposal	-	-	-	57,292	-	57,292
Depreciation	(155,571)	(4,949)	(2,517)	(37,016)	(14,400)	(214,453)
Balance, December 31, 2023	\$ (542,093)	\$ (22,231)	\$ (6,653)	\$ (31,265)	\$ (26,510)	\$ (628,752)
Net book value, December 31, 2023	\$ 224,792	\$ 3,595	\$ 16,409	\$ 147,187	\$ 66,610	\$ 458,593
Net book value, December 31, 2022	\$ 391,205	\$ 8,544	\$ 18,926	\$ 296,911	\$ 79,837	\$ 795,423

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Notes to the consolidated financial statements
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5. MINERAL PROPERTIES

Mineral properties consist of all direct costs, including option payments and transaction costs, incurred by the Company to acquire its mineral properties and to maintain its ownership rights. Mineral properties balances changed during the year ended December 31, 2023, as follows:

	Mocoa	Esperanza	Big Red	Big Bulk	Total
Balance, December 31, 2021	\$ 970,388	\$ 626,680	\$ 196,580	\$ 177,916	\$ 1,971,564
Acquisition	-	272,800	88,400	50,000	411,200
Donated land	(20,299)	-	-	-	(20,299)
Effect of foreign exchange translation	-	50,857	-	-	50,857
Balance, December 31, 2022	\$ 950,089	\$ 950,336	\$ 284,980	\$ 227,916	\$ 2,413,321
Acquisition	-	331,300	325,000	-	656,300
Write-off of mineral properties	-	(1,286,124)	(609,980)	-	(1,896,104)
Effect of foreign exchange translation	-	4,488	-	-	4,488
Balance, December 31, 2023	\$ 950,089	\$ -	\$ -	\$ 227,916	\$ 1,178,005

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 the issuance of 208,000 common shares of the Company and a 2% net smelter return royalty (“NSR royalty”). The Mocoa Project is also subject to a retained 1% NSR royalty held by its previous owner, AngloGold Ashanti Limited (“AGA”).

Esperanza Porphyry Copper-Gold Project

In January 2021, the Company entered into an option agreement with Latin Metals Inc. to earn-in to 70% of the Esperanza porphyry copper-gold project (“Esperanza”) in San Juan, Argentina which was amended on May 26, 2021 and October 19, 2022. Under the revised terms, the option payments were:

- US \$220,000 on July 14, 2021 (*paid*);
- US \$250,000 on December 15, 2021 (*paid*);
- US \$200,000 on December 20, 2022 (*paid*);
- US \$250,000 on June 10, 2023 (*paid*);
- US \$600,000 on December 10, 2023;
- US \$433,000 on June 10, 2024; and
- US \$450,000 on December 10, 2024.

Upon the exercise of the option, the Company and Latin Metals were to form a 70/30 joint venture for the continued exploration and development of the project.

In November 2021, the Company entered into an option agreement with Golden Arrow Resources to earn-in to 75% of the Huachi claims adjacent to the Esperanza claims. The Company must incur US \$1,000,000 of exploration expenditures over four years from the date that a drill permit is received. Upon the exercise of the option, the Company and Golden Arrow Resources will form a 75/25 joint venture for the continued exploration and development of the project.

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5. MINERAL PROPERTIES (CONTINUED)

In December 2023, the Company announced the termination of its option agreement with Latin Metals Inc. for the Esperanza exploration project in Argentina and in March 2024, the Company terminated of its option agreement with Golden Arrow Resources. The Company has made the strategic decision to direct its focus and resources solely on the 100% owned Mocoa Porphyry Copper-Molybdenum Deposit in Colombia, the Company wrote-off the costs related to the Esperanza project totaling \$1,286,124.

Big Red Porphyry Copper Project

In February 2019, the Company entered into an option agreement to acquire 100% of the Big Red porphyry copper property in the Golden Triangle in British Columbia, Canada ("Big Red"). The Company exercised the option and acquired 100% of Big Red in return for the issuance of 400,000 common shares of the Company and cash payments of \$440,000. The vendors retained a 1% NSR royalty, 0.5% of which could have been repurchased by the Company at any time for \$10 million.

During the year ended December 31, 2023, the Company was notified by the Tahltan Central Government (TCG) that they had arbitrarily reversed their support for mineral exploration activities over large areas including the Big Red project. Accordingly, during the year ended December 31, 2023, the Company wrote off the costs related to the Big Red property totaling \$609,980.

Big Bulk Porphyry Copper-Gold Project

In January 2021, the Company acquired the option to acquire 100% of the Big Bulk porphyry copper-gold property in the Golden Triangle in British Columbia, Canada ("Big Bulk"). Under the terms of the option agreement, which was amended on October 14, 2022, the Company had until December 31, 2026, to acquire 100% of Big Bulk under the amended payment terms as expressed below:

- (a) pay \$50,000 in cash on or before December 31, 2022; *(paid)*
- (b) pay \$50,000 in cash on or before December 31, 2023;
- (c) pay \$150,000 in cash on or before December 31, 2024;
- (d) pay \$250,000 in cash on or before December 31, 2025; and
- (e) pay \$1,000,000 in cash or common shares on or before December 31, 2026.

The vendors had retained a 0.5% NSR, 50% of which could have been repurchased by the Company for \$100,000. In addition, Sandstorm Gold Ltd. was entitled to a 1.5% NSR, 50% of which could have been repurchased by the Company for \$1,000,000

Subsequent to December 31, 2023, the Company sold the option agreement on the Big Bulk project (Note 18).

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5. MINERAL PROPERTIES (CONTINUED)

Exploration

The following is a summary of the Mocoa, Big Red, Big Bulk, and Esperanza exploration expenses for the years ended December 31, 2023, and 2022:

For the year ended December 31, 2023	Mocoa	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	\$ 1,923,584	\$ 84,800	\$ 30,434	\$ 311,120	\$ 2,349,938
Field and camp	394,455	118,261	-	-	512,716
Drilling	228,000	955	-	-	228,955
Travel	164,992	-	-	-	164,992
Geochemical and mapping	25,027	33,724	680	-	59,431
Legal and office administration	114,229	3,119	1,942	2,784	122,074
Environmental, social and governance	49,854	50	-	-	49,904
License and permits	1,283	-	-	-	1,283
Mineral exploration tax credit recovered	(269,461)	-	-	-	(269,461)
	\$2,562,570	\$ 240,910	\$ 33,056	\$ 313,904	\$ 3,219,832
Foreign exchange translation	-	-	-	25	25
Total exploration expenses	\$2,631,964	\$ 240,910	\$ 33,056	\$ 313,930	\$ 3,219,857

For the year ended December 31, 2022	Mocoa	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	\$ 3,526,987	\$ 1,035,609	\$ 30,113	\$ 384,753	\$4,977,462
Field and camp	616,087	769,093	-	-	1,385,180
Drilling	603,733	855,067	-	-	1,458,800
Geochemical and mapping	93,613	1,016,848	-	-	1,110,461
Legal and office administration	489,795	9,375	-	272	499,442
Environmental, social and governance	227,367	-	-	-	227,367
License and permits	23,152	788	-	-	23,940
Mineral exploration tax credit recovered	-	(315,347)	-	-	(315,347)
	\$ 5,580,734	\$ 3,371,433	\$ 30,113	\$ 385,025	\$9,367,305
Foreign exchange translation	-	-	-	2,245	2,245
Total exploration expenses	\$ 5,580,734	\$ 3,371,433	\$ 30,113	\$ 387,270	\$9,369,550

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Notes to the consolidated financial statements

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6. INVESTMENTS

In January 2021, the Company closed a transaction with Zacapa Resources Ltd. (“Zacapa”) a related party with two common directors, to sell Libero Mining Limited, a company incorporated in Delaware, USA, which held the option to acquire Tomichi, in return for the issuance of 2,000,000 Zacapa shares to the Company.

On November 21, 2023, Zacapa amalgamated with Outcrop Silver & Gold Corporation (“Outcrop”) and all of the issued and outstanding Zacapa shares following the amalgamation were exchanged for Outcrop shares on a four-to-one basis.

Balance, January 1, 2022	\$	1,000,000
Fair value (loss) (Zacapa closing price of \$0.09 per share at December 31, 2022)		(820,000)
Balance, December 31, 2022		180,000
Fair value (loss) (Outcrop closing price of \$0.23 per share at December 1, 2023)		(66,830)
Sale of 500,000 Outcrop common shares at \$0.23		(113,170)
Balance, December 31, 2023	\$	-

7. RECLAMATION BONDS AND DEPOSITS

As at	December 31, 2023	December 31, 2022
Reclamation bond – Big Red	\$ 60,000	60,000
Reclamation bond – Big Bulk	16,000	16,000
Security deposit – Office Lease	28,081	28,081
Total	\$ 104,081	104,081

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	December 31, 2023	December 31, 2022
Trade payables	\$ 620,920	395,892
Other accrued liabilities	1,027,660	195,641
Total	\$ 1,648,580	591,533

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9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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 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%.

During the year ended December 31, 2022, the Company's 100% owned subsidiary in Colombia entered into several leases relating to housing in Mocoa for the Company's contractors working on site and extended the office leases in Bogota, as well as storage facilities in the Medellin and Mocoa areas. The term for the leases is between 2 and 5 years up to 2027. The Company recorded right-of-use assets of \$370,399 within property and equipment (note 3). The Company recorded a corresponding net lease liability of \$370,399. The incremental borrowing rate for the lease liabilities recognized during the year ended December 31, 2022, was 12.5%.

During the year ended December 31, 2023, the Company recorded a net adjustment of \$10,842 for right-of-use asset within property and equipment (note 3). The incremental borrowing rate for the lease liability recognized as of December 31, 2023, was 12.5%.

	Lease liability
Balance, December 31, 2021	\$ 193,636
Additions (Note 4)	370,399
Cash principal and interest payments	(202,630)
Interest expense	43,360
Foreign exchange differences	(75,189)
Balance, December 31, 2022	\$ 329,576
Adjustment (Note 4)	(10,842)
Cash principal and interest payments	(156,533)
Interest expense	34,143
Foreign exchange differences	10,827
Balance, December 31, 2023	207,171
	Current portion of lease liabilities 18,943
Long-term portion of lease liabilities	\$ 188,228

10. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

As at December 31, 2023, the Company had 16,241,417 common shares issued and outstanding.

During the year ended December 31, 2023, the Company:

- Closed the final tranche of the 2022 non-brokered private placement. A total of 593,666 units were issued at a price of \$1.50 per unit for gross proceeds of \$890,500. Total gross proceeds received from the two tranches of the 2022 private placement were \$1,887,550. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional share at a price of \$2.20 until expiry on January 6, 2025;
- Issued 20,000 common shares with a fair value of \$25,000 in accordance with the Big Red option agreement (note 5);
- Issued 1,960,500 common shares under its at-the-market equity program (the "ATM Program") for gross proceeds of \$692,309. The ATM Program was established on March 22, 2023, and allows the Company to issue and sell, at its discretion, up to \$5,000,000 of common shares in the capital of the Company to the public from time to time at the prevailing market price when the common shares are issued.

10. SHARE CAPITAL (CONTINUED)

a) Authorized share capital (continued)

- On February 17, 2023 the Company completed a non-brokered private placement. A total of 1,653,333 units were issued at a price of \$1.50 per unit for gross proceeds of \$2,480,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant issued entitles the holder thereof to purchase one common share at a price of \$2.20 until February 17, 2025
- On August 17, 2023 the Company completed a non-brokered private placement. A total of 913,000 units were issued at a price of \$0.50 per unit for gross proceeds of \$456,500. Each unit is comprised of one common share and one common share purchase warrant. Each warrant issued entitles the holder thereof to purchase one common share at a price of \$0.75 until August 17, 2026, and
- On December 28, 2023 the Company closed its rights offering for aggregate gross proceeds of \$525,492 and issued 2,627,707 common shares

b) Warrants

On January 06, 2023, a total of 601,467 share purchase warrants (including 7,800 non-transferrable broker warrants) were issued as part of a private placement of units. Each warrant entitles the holder to acquire one common share at a price of \$2.20 per share until January 6, 2025.

On February 17, 2023, a total of 1,730,103 share purchase warrants (including 76,770 non-transferrable broker warrants) were issued as part of a private placement of units. Each warrant entitles the holder to acquire one common share at a price of \$2.20 per share until February 17, 2025.

On August 17, 2023, a total of 956,380 share purchase warrants (including 43,380 non-transferrable broker warrants) were issued as part of a private placement of units. Each warrant entitles the holder to acquire one common share at a price of \$0.75 per share until August 17, 2026.

On February 22, 2023, a total of 634,245 share purchase warrants with an exercise price of \$7.50 expired unexercised.

On December 1, 2023, a total of 184,000 share purchase warrants with an exercise price of \$7.50 and a total of 10,020 share purchase warrants with an exercise price of \$5.00 expired unexercised

On December 22, 2023, a total of 280,000 share purchase warrants with an exercise price of \$7.50 expired unexercised.

Information regarding warrants outstanding at December 31, 2023 is as follows:

	Warrants outstanding	\$	Weighted average exercise price
Outstanding, December 31, 2021	1,954,669		7.50
Issued	1,042,450		4.00
Exercised	(63,962)		7.50
Expired	(782,442)		7.50
Outstanding, December 31, 2022	2,150,715	\$	5.78
Issued	3,284,950		1.78
Expired	(1,108,265)		7.48
Outstanding, December 31, 2023	4,327,400	\$	\$2.31

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10. SHARE CAPITAL (CONTINUED)

b) Warrants (continued)

As at December 31, 2023 the Company had 4,327,400 warrants outstanding (see table below), with an average exercise price of \$2.31 and a weighted average remaining life of 1.34 years.

Expiry date	Warrants outstanding	Weighted average exercise price	Weighted average remaining life (years)
January 26, 2024 (Note 1)	350,000	7.50	0.07
December 30, 2024	692,450	2.20	1.00
January 6, 2025	601,467	2.20	1.02
February 17, 2025	1,730,103	2.20	1.13
August 17, 2026	956,380	0.75	2.63
	4,327,400	\$ 2.31	1.34

Note 1 – Expired subsequent to year end.

During the year ended December 31, 2023, the Company recorded a fair value of \$1,127,302 (December 31, 2022: \$1,023,025) within reserves, for the issue of 3,284,950 (December 31, 2022: 10,424,500) warrants based on the Black Scholes model with the following weighted average variables.

	December 31, 2023	December 31, 2022
Risk free interest rate	3.71%	3.12%
Expected volatility	93%	105%
Expected life (years)	2	2
Expected dividends (yield)	0%	0%
Fair value per warrant	0.50	1.30

c) Share Purchase Options

Information regarding share purchase options outstanding at December 31, 2023 and changes for year is as follows:

	Options outstanding	Weighted average exercise price
Outstanding, December 31, 2021	509,500	5.00
Granted	312,500	3.30
Exercised	(15,000)	4.70
Expired	(31,000)	5.10
Forfeiture	(37,000)	4.10
Outstanding, December 31, 2022	739,000	4.30
Forfeiture	(50,000)	4.83
Expired	(66,000)	4.78
Outstanding, December 31, 2023	623,000	4.21

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10. SHARE CAPITAL (CONTINUED)

c) Share Purchase Options (continued)

Information regarding share purchase options outstanding and exercisable at December 31, 2023 is as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining life (years)
April 5, 2024 (Note 1)	20,000	20,000	5.60	0.26
October 2, 2024	25,000	25,000	7.70	0.76
December 17, 2025	133,000	133,000	4.00	1.96
April 13, 2026	50,000	50,000	5.80	2.28
December 24, 2026	157,500	157,500	5.20	2.98
February 15, 2027	20,000	20,000	5.00	3.13
February 15, 2027	17,500	17,500	5.40	3.13
February 15, 2027	25,000	25,000	6.70	3.13
February 15, 2027	2,500	2,500	3.20	3.13
October 14, 2027	172,500	172,500	1.90	3.79
	623,000	623,000	\$ 4.21	2.77

Note 1 – Expired subsequent to year end.

No options were granted for the year ended December 31, 2023 (December 31, 2022: 312,500). The fair value of the options granted for year ended December 31, 2022 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	December 31, 2022
Risk free interest rate	2.99%
Expected volatility	116%
Expected life (years)	5
Expected dividends (yield)	0%
Fair value per option	\$ 2.60

Share-based compensation expense related to share purchase options for the year ended December 31, 2023, was \$110,539 (December 31, 2022: \$1,177,656) and has been recorded in the consolidated statements of loss and comprehensive loss.

11. 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, 2021	\$ -
Liability incurred on flow-through shares issued	473,572
Settlement of flow-through share premium liability upon incurring qualifying expenses	(347,172)
Balance, December 31, 2022	\$ 126,400
Settlement of flow-through share premium liability upon incurring qualifying expenses	(126,400)
Balance, December 31, 2023	\$ -

11. FLOW-THROUGH SHARE PREMIUM LIABILITY (CONTINUED)

On August 5, 2022, the Company closed a flow-through private placement. This consisted of 1,086,767 flow-through common shares at a price of \$3.30 per share, for aggregate gross proceeds of \$3,586,331. During the year ended December 31, 2023, the Company incurred a total of \$963,914 (December 31, 2022: 3,686,780) in exploration expenditures on the Big Red and Big Bulk projects which were qualifying flow-through expenditures. The Company derecognized the associated flow-through share premium liability and recognized a deferred income tax recovery of \$126,400 (December 31, 2022: 347,172) in the Company's condensed consolidated financial statements.

12. INCOME TAX

Income tax expense (recovery) differs from the amounts that would be obtained by applying the Canadian statutory income tax rate to net income (loss) before income tax as follows:

	December 31, 2023	December 31, 2022
Net loss for the year	\$ (7,701,916)	\$ (14,073,228)
Statutory tax rate	27%	27%
Recovery tax at the statutory rate	(2,079,517)	(3,799,772)
Permanent differences and other	30,482	1,423,794
Change in deferred tax assets not recognized	3,008,158	2,496,218
Foreign exchange	(964,685)	169,795
Change in prior period estimates	(99,342)	95,775
Difference in tax rate of foreign jurisdiction and other	104,904	(385,810)
Tax impact of divestitures	-	-
Change in tax rate	-	-
Derecognition of flow-through share premium liability	(126,400)	(347,172)
Income tax recovery	\$ (126,400)	\$ (347,172)

The Company's deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized as at December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences		
Loss carryforwards	\$ 24,528,072	\$ 19,841,425
Mineral properties	13,948,937	8,623,151
Share issue costs	708,714	785,191
Lease liability	207,171	(61,632)
Investment tax credits	24,839	-
Property and equipment	96,961	36,478
Total deductible temporary differences	\$ 39,514,693	\$ 29,224,613

The Company has non-capital loss carryforwards of approximately \$24,828,072 (December 31, 2022, \$19,841,425), primarily related to Canada, which may be available to offset future income for income tax purposes. The Company recognizes the benefits of tax losses only to the extent of the reversal of taxable temporary differences in relevant jurisdictions within the carry forward period. The available non-capital losses can be carried forward for 20 years in Canada.

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13. RELATED PARTY TRANSACTIONS

Key management, directors, and officers received the following salaries and benefits during the year ended December 31, 2023 and 2022:

For the year ended	December 31,		December 31,	
	2023		2022	
Share-based compensation	\$	77,809	\$	789,040
Employee salaries and benefits		522,114		497,527
	\$	599,923	\$	1,286,567

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 year ended December 31, 2023 and 2022:

For the year ended	December 31,		December 31,	
	2023		2022	
Accounting and legal costs recharged from Slater Corporate Services ("SCSC"), a company controlled by director Ian Slater	\$	330,000	\$	330,000
Legal fees to Farris, LLP in which director Jay Sujir is a partner		118,310		81,409
Amended loan from Slater Capital Corporation ("SCC"), a company controlled by director Ian Slater		300,164		-

As at	December 31,		December 31,	
	2023		2022	
Amounts owed to:				
Farris LLP in which a director, Jay Sujir, is a partner		97,124		11,754
Michelle Borromeo, Vice President Investor Relations		801		-
Ian Harris, CEO		38,411		-
Edwin Naranjo, Exploration Manager		34,000		-
Matt Wunder, Vice President Exploration		106,667		-

The amounts owed to companies controlled by directors and officers of the Company are included in accounts payable and accrued liabilities.

Loans from related parties

During the year ended December 31, 2023, SCC entered into multiple loan agreements with the Company and advanced a total of \$412,619 (2022 - \$nil) to the Company. The loans accrued interest at a rate of 10% per annum and the Company repaid \$132,003 (2022 - \$nil) of principal and interest during the year. As at December 31, 2023, the remaining balance of \$300,164 (2022 - \$nil) was payable on or before the earlier of (a) December 31, 2023, and (b) completion of an equity financing. Subsequent to year end, the Company entered into an amending agreement (Note 18) and extended the due date of the loan.

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14. SEGMENT INFORMATION

The Company has one operating segment, which is the exploration and development of mineral properties. The Company's total assets, total liabilities and net loss are distributed in four geographic regions, Canada, Argentina and Colombia, as follows:

As at December 31, 2023	Canada	Argentina	Colombia	Total
Total assets	\$ 1,081,711	\$ 449	\$ 1,330,127	\$ 2,412,287
Total liabilities	1,148,747	14,166	993,002	2,155,915
Net loss	\$ 2,850,438	\$ 1,561,105	\$ 3,163,972	\$ 7,575,512

As at December 31, 2022	Canada	Argentina	Colombia	Total
Total assets	\$ 1,448,080	\$ 988,451	\$ 1,514,306	\$ 3,950,837
Total liabilities	488,884	614	558,011	1,047,509
Net loss	\$ 8,057,795	\$ 308,211	\$ 5,360,051	\$ 13,726,057

15. COMMITMENTS AND CONTINGENCIES

The Company has to make cash payments in order to maintain the terms of its property option agreements in good standing in the future (note 5).

The following is a summary of the payment schedules for the recognized liabilities:

	Less than 1 year	1 - 5 years	More than 5 years	Total
Canada - lease	\$ 12,372	\$ -	\$ -	\$ 12,372
Colombia - lease	6,571	188,228	-	194,799
	\$ 18,943	\$ 188,228	\$ -	\$ 207,171

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the consolidated financial condition or future results of the Company.

16. CAPITAL MANAGEMENT

The Company's capital consists of common shares, reserves, and deficit attributable to shareholders of the Company. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, or issue new shares. In addition, the Company is cognizant of the impact of diluting equity shareholders and so considers this when planning the timing and amount of equity financing or other changes to the group's capital structure. The Company's capital is not subject to any external restrictions and the Company did not change its approach to capital management during the year.

17. FINANCIAL INSTRUMENTS

The Company's cash and cash equivalents, restricted cash and amounts receivable are financial assets at amortized cost and accounts payable and accrued liabilities, lease liabilities and loans from related parties are financial liabilities at amortized cost.

a) Fair value

The fair values of cash and cash equivalents, restricted cash, amounts receivable, accounts payable and accrued liabilities and loans from related parties approximate their carrying amounts, largely due to the short-term maturities of these instruments. The carrying value of the Company's lease liabilities are measured as the present value of the discounted future cash flows. The Company's listed company investments are measured at fair value using level 1 inputs.

Fair Value hierarchy. The Company classifies financial assets and liabilities that are recognized on the statement of financial position at fair value in a hierarchy that is based on significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

b) Financial risk management

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk is attributable to its liquid financial assets including cash and cash equivalents. The Company is exposed to credit risk with respect to its cash and cash equivalents. All cash and cash equivalents are on deposit with major Canadian or Colombian financial institutions.

The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk by purchasing highly liquid, short-term investment-grade securities held at major financial institutions.

The Company's concentration of credit risk arises from its cash and cash equivalents. The maximum exposure as at December 31, 2023, was \$493,750 (December 31, 2022: \$66,342).

Interest rate risk

The Company is not exposed to significant interest rate risk.

17. FINANCIAL INSTRUMENTS (CONTINUED)

c) Financial risk management

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk is attributable to its liquid financial assets including cash and cash equivalents and receivables.

All cash and cash equivalents are on deposit with major Canadian or Colombian financial institutions. The Company manages credit risk on its cash by purchasing highly liquid, short-term investment-grade securities held at major financial institutions.

The majority of the Company's receivables are due from subscribers of the Company's ATM program which were received subsequent to year end and from Government of Canada for taxes receivable. During the year ended December 31, 2023, the Company recognized a write-off of receivables of \$152,748 (2022 - \$nil) due to uncertainty of collectability of which the majority was related to funds advanced for a social program in Columbia.

Interest rate risk

The Company is not exposed to significant interest rate risk.

Foreign currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The list below shows the Company's foreign currency risk

FY 2023	USD	COP
Cash and cash equivalents	441	45,974,710
Amounts receivable	-	-
Prepaid expense	11,250	-
Accounts payable and accrued liabilities	(147,199)	(2,331,158,893)
Lease liabilities	-	(568,910,553)
	(135,508)	(2,854,094,736)

As noted above, the Company's currency risk is presently limited to cash and cash equivalents, amounts receivable, and accounts payable, accrued liabilities and lease liabilities of the parent entity that are denominated in US dollars ("USD") and of the subsidiaries that are denominated in Colombian peso ("COP").

The Company also has transactional currency exposures and various working capital requirements for the Mocoa deposit and Esperanza project. Such exposures arise from purchases in currencies other than Canadian or US dollars. The Company manages this risk by matching receipts and payments in the same currency and monitoring the movements in foreign currency.

17. FINANCIAL INSTRUMENTS (CONTINUED)

A 10% change in the average exchange rate for the year, with all other variables held constant, would have the following impact on the Company's net loss:

	10% change in USD		10% change in COP	
Change in net loss	\$	17,921	\$	97,727

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place by which it projects the funds required to support its operations. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The Company currently has cash and cash equivalents of \$493,750 and current liabilities of \$1,967,687. On February 15 2024, the Company closed the final tranche of its non-brokered private placement consisting of 19,999,335 units for gross proceeds of \$2,999,990 (Note 18).

18. SUBSEQUENT EVENTS

Subsequent to December 31, 2023, the Company:

Sale of Big Bulk project

Entered into an assignment and assumption agreement with Dolly Varden Silver Corp. ("Dolly Varden"), to sell the option agreement on the Big Bulk project (Note 5), in return for the issuance of 275,000 Dolly Varden shares to the Company.

Private placement

On March 11, 2024, the Company closed a non-brokered private placement for aggregate gross proceeds of \$2,860,000. The Company issued 11,000,000 units at a price of \$0.26 per unit. Each unit consists of one common share and one full common share purchase warrant with each warrant entitling the holder to acquire an additional common share at an exercise price of \$0.50 until expiry on March 11, 2027.

Private placement – final tranche

On February 15 2024, the Company closed the final tranche of its non-brokered private placement consisting of 19,999,335 units. Each unit consists of one common share and one share purchase warrant at a price of \$0.15 per unit for aggregate gross proceeds of \$2,999,900. Each warrant entitles the holder to acquire one additional share at a price of \$0.20 until expiry on February 15, 2027.

Bonus Warrants

On February 15, 2024 the Company issued 750,000 non-transferable warrants expiring February 15, 2025 with an exercise price of \$0.20 per common share to SCC in connection with a amended loan agreement between the Company and the Lender dated January 1, 2024. Any common shares issuable from the exercise of the warrants are subject to a four month hold period expiring June 16, 2024.

ATM Program

The Company Issued 1,236,300 common shares under its ATM Program for gross proceeds of \$324,903.

LIBERO COPPER & GOLD CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

18. SUBSEQUENT EVENTS (CONTINUED)

Stock Options

On March 26, 2024, the Company granted 4,400,000 share purchase options to certain directors, officers, employees, and consultants of the Company. The share purchase options are exercisable at a price of \$0.48, expiring on March 26, 2034.