



LIBERIO

COPPER

LIBERIO COPPER CORPORATION

Consolidated Financial Statements

For the years ended December 31, 2017 and 2016

March 29, 2018

Independent Auditor's Report

To the Shareholders of Libero Copper Corporation

We have audited the accompanying consolidated financial statements of Libero Copper Corporation and its subsidiary, which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016 and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Libero Copper Corporation and its subsidiaries as at December 31, 2017 and December 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

(signed) “PricewaterhouseCoopers LLP”

Chartered Professional Accountants

Vancouver, British Columbia

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

As at	Note	December 31, 2017	December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents		\$ 525,376	\$ 670,385
Amounts receivable		1,642	2,678
Prepaid expenses		29,168	57
		556,186	673,120
Non-current assets			
Mineral properties	5	182,633	51,888
Total assets		\$ 738,819	\$ 725,008
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	\$ 31,813	\$ 43,393
Total liabilities		31,813	43,393
SHAREHOLDERS' EQUITY			
Share capital	8	6,030,804	5,388,295
Contributed surplus		357,818	479,549
Deficit		(5,681,616)	(5,186,229)
Total shareholders' equity		707,006	681,615
Total liabilities and shareholders' equity		\$ 738,819	\$ 725,008

On behalf of the Board of Directors:

(signed) "Jeffrey Mason"
 Director

(signed) "Ian Slater"
 Director

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

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

For the year ended	Note	December 31, 2017	December 31, 2016
Expenses			
Exploration expenses	7	\$ 251,750	\$ -
General and administration		90,068	50,494
Share-based payments	8(c)	62,653	125,729
Filing fees		36,825	23,720
Professional fees		30,772	51,949
Projects evaluation		23,319	68,369
Net loss and comprehensive loss for the year		\$ 495,387	\$ 320,261
Basic and diluted loss per share		\$ 0.01	\$ 0.01
Weighted average number of common shares outstanding		42,853,300	32,595,189

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

LIBERO COPPER CORPORATION
Consolidated statements of changes in equity
(expressed in Canadian dollars)

	Notes	Number of shares	Share capital	Contributed surplus	Deficit	Total
Balance, December 31, 2015		21,833,714	\$ 5,013,001	\$ 90,196	\$ (4,865,968)	\$ 237,229
Private placement, net of share issue cost	8(a),8(b)	13,250,000	371,043	265,375	-	636,418
Share options exercised	8(c)	25,000	4,251	(1,751)	-	2,500
Share-based payments	8(c)	-	-	125,729	-	125,729
Total comprehensive loss		-	-	-	(320,261)	(320,261)
Balance, December 31, 2016		35,108,714	\$ 5,388,295	\$ 479,549	\$ (5,186,229)	\$ 681,615
Warrants exercised	8(b)	9,000,000	630,243	(180,243)	-	450,000
Share options exercised	8(c)	81,250	12,266	(4,141)	-	8,125
Share-based payments	8(c)	-	-	62,653	-	62,653
Total comprehensive loss		-	-	-	(495,387)	(495,387)
Balance, December 31, 2017		44,189,964	\$ 6,030,804	\$ 357,818	\$ (5,681,616)	\$ 707,006

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

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

For the year ended	Note	December 31, 2017	December 31, 2016
OPERATING ACTIVITIES			
Net loss for the year		\$ (495,387)	\$ (320,261)
<i>Adjustments for items not involving cash:</i>			
Share-based payments	8(c)	62,653	125,729
<i>Net changes in non-cash working capital items:</i>			
Amounts receivable		1,036	(1,492)
Prepaid expenses		(29,111)	7,493
Accounts payable and accrued liabilities		(11,580)	25,643
Net cash outflows from operating activities		(472,389)	(162,888)
FINANCING ACTIVITIES			
Proceeds from exercise of warrants and share purchase options	8(b,c)	458,125	2,500
Proceeds from private placement, net of share issue costs	8(a)	-	636,418
Net cash inflows from financing activities		458,125	638,918
INVESTING ACTIVITIES			
Acquisition of mineral properties	5	(130,745)	(51,888)
Net cash outflows from investing activities		(130,745)	(51,888)
Net (decrease) increase in cash and cash equivalents		(145,009)	424,142
Cash and cash equivalents, beginning of the year		670,385	246,243
Cash and cash equivalents, end of the year		\$ 525,376	\$ 670,385

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

LIBERO COPPER CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Libero Mining Corporation (“Libero” or 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 address and domicile of the Company’s registered office and its principal place of business is Suite 2348 - 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8. 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 and has not yet determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties 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 upon future production or proceeds from the disposition thereof.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standard (“IFRS”). The consolidated financial statements have been prepared using the accounting policies 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, 2017 were authorized for issue by the Board of Directors on March 29, 2018.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its 100% owned subsidiary. Libero Mining Limited, a company incorporated in Delaware, in the United States of America (“USA”) which holds the Tomichi porphyry copper-molybdenum option agreement. 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.

The results of the 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.

LIBERO COPPER CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

3. PRINCIPAL ACCOUNTING POLICIES

The significant accounting policies adopted 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 its subsidiary is the Canadian dollar. 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) 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 development expenditures are expensed as incurred until the mineral reserves can be established, after which such costs will be accounted for in the same manner as acquisition costs. Costs of producing properties 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 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 and developing its mineral properties and has not yet determined the existence of reserves. Management reviews the carrying value of mineral properties at least annually and will recognize impairment in value based upon the current exploration results, the prospect of further work being carried out by the Company, 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.

c) 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 a) an asset's or cash-generating unit's (CGU) fair value less costs to sell and b) 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 subsidiaries or other available fair value indicators.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

d) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or fair value through profit or loss ("FVTPL"). All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

- Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss.
- Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments or fixed maturities that the Company has the positive intention and ability to hold to maturity.
- Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially designated at inception as FVTPL, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are initially recognized at fair value, plus, in the case of loans and borrowings, directly attributable transaction costs.

LIBERO COPPER CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Subsequent measurement

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred.

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in comprehensive loss in the period in which they arise. The net gain or loss recognized in comprehensive loss excludes any interest paid on the financial liabilities.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements within the scope of IFRS 13 are categorized into Level 1, 2 or 3 based on the degree to which the inputs are observable and the significance of the inputs to the fair value measurement in its entirety. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

f) 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 the accounting profit nor taxable profit or loss.

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 utilised 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 the 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.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in comprehensive 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.

g) Share-based payments

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 contributed surplus. On the exercise of share purchase options, consideration received, together with the compensation expense previously recorded to contributed surplus, 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.

h) 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.

i) Management judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS 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 assesses each cash-generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. 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. Management has assessed its cash-generating units as being each mineral property, which is the lowest level for which cash inflows are largely independent of those of other assets and has determined that there are no indications of impairment.

Stock Based Compensation

The Company uses the fair-value method of accounting for share-based payments related to incentive stock options and warrants granted, modified or settled. Under this method, cost attributable to options and awards granted is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate.

LIBERO COPPER CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Standards and interpretations issued but not yet effective

The following new standards, and amendments to standards and interpretations, were not yet effective for the year ended December 31, 2017, and have not been applied in preparing these consolidated financial statements.

IFRS 9 Financial Instrument

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments (“IFRS 9”) which will replace IAS 39, Financial Instruments (“IAS 39”). This standard is effective for annual periods beginning on or after January 1, 2018. IFRS 9 provides a revised model for recognition and measurement of financial assets with two classification categories: amortized cost and fair value. Financial liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit or loss or we have opted to measure at fair value through profit or loss. As well, under the new standard a single impairment method is required, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes a substantially reformed approach to hedge accounting that aligns accounting more closely with risk management. The Company is assessing IFRS 9’s impact on its consolidated financial statements and has preliminarily concluded that this standard does not have a material impact.

IFRS 16 Leases

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 provided that IFRS 15 is also adopted. 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 consolidated financial statements and has not yet determined the impact.

LIBERO COPPER CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

5. MINERAL PROPERTIES

In December 2016, the Company entered into an option agreement to purchase the Tomichi porphyry copper-molybdenum deposit ("Tomichi") in Colorado and incurred \$130,745 in 2017 (2016 - \$51,888) for total acquisition costs of \$182,633 as at December 31, 2017. The Company has the 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;
- 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.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	December 31, 2017	December 31, 2016
Trade payables	\$ 12,626	\$ 16,226
Other accrued liabilities	19,187	27,167
Total	\$ 31,813	\$ 43,393

7. EXPLORATION EXPENSES

The following is a summary of exploration expenses related to the Tomichi project.

For the year ended	December 31, 2017	December 31, 2016
Technical and geological consulting	\$ 146,476	\$ -
Camp and general	97,572	-
License and permits	7,702	-
Total exploration expenses	\$ 251,750	\$ -

LIBERO COPPER CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

8. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

Share consolidation

On February 4, 2016, the Company consolidated all of its outstanding common shares and common share purchase warrants on the basis of two pre-consolidation common shares for one post-consolidation common share.

All share, warrants, and basic and diluted loss per common share information presented in these consolidated financial statements have been adjusted retroactively to reflect the consolidation of all outstanding common shares on the basis of two pre-consolidation common shares for one post-consolidation common share.

Private placements

In 2016, the Company completed a non-brokered private placement in two tranches for total gross proceeds of \$662,500 consisting of 13,250,000 units at a price of \$0.05 per unit. Each unit consists of one common share of the Company and one share purchase warrant. The first tranche was completed on February 29, 2016 for gross proceeds of \$492,500 on issuance of 9,850,000 units. The second tranche was completed on April 8, 2016, for gross proceeds of \$170,000 on issuance of 3,400,000 units.

As at December 31, 2017, the Company had 44,189,964 common shares issued and outstanding.

b) Warrants

During 2016, 13,250,000 warrants were issued as part of a private placement of units. Each warrant entitles the holder to acquire one common share for a period of five years. The exercise price is \$0.05 per warrant for the first 12 months and \$0.10 thereafter.

During the year ended December 31, 2017, 9,000,000 warrants were exercised with an exercise price of \$0.05 per warrant for total proceeds of \$450,000.

Information regarding warrants outstanding at December 31, 2017 is as follows:

	Warrants outstanding	Weighted Average Exercise Price
Outstanding December 31, 2015	-	-
Issued	13,250,000	0.08
Outstanding December 31, 2016	13,250,000	0.08
Exercised	(9,000,000)	0.05
Outstanding December 31, 2017	4,250,000	0.10

LIBERO COPPER CORPORATION**Notes to the consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***8. SHARE CAPITAL (CONTINUED)**

As at December 31, 2017, the Company had 4,250,000 warrants outstanding, with an exercise price of \$0.10 and a remaining life of 3.21 years:

Expiry date	Warrants outstanding	Weighted average exercise price	Weighted average remaining life (years)
March 1, 2021	2,550,000	\$0.10	3.17
April 8, 2021	1,700,000	\$0.10	3.27
	4,250,000	\$0.10	3.21

c) Options

All option information presented in these consolidated financial statements have been adjusted retroactively to reflect a share consolidation completed on February 4, 2016, on the basis of two pre-consolidation common shares for one post-consolidation common share.

A summary of the options granted under the option plan as at December 31, 2017, and the changes for the year ended are as follows:

	Number of Options Outstanding	Weighted Average Exercise Price
December 31, 2015	1,637,500	0.10
Granted	1,972,500	0.11
Exercised	(25,000)	0.10
Forfeiture	(75,000)	0.10
December 31, 2016	3,510,000	0.10
Granted	825,000	0.10
Exercised	(81,250)	0.10
Expired / Cancelled	(86,875)	0.12
Forfeiture	(91,875)	0.13
December 31, 2017	4,075,000	0.10

LIBERO COPPER CORPORATION**Notes to the consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***8. SHARE CAPITAL (CONTINUED)**

The following summarizes information about share purchase options outstanding and exercisable at December 31, 2017:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining life (years)
November 6, 2018	1,575,000	1,575,000	\$ 0.10	0.85
March 16, 2021	1,300,000	1,300,000	\$ 0.10	3.21
May 19, 2021	200,000	200,000	\$ 0.10	3.38
June 14, 2021	100,000	100,000	\$ 0.17	3.45
December 15, 2022	900,000	693,750	\$ 0.10	4.96
	4,075,000	3,868,750	\$ 0.10	2.70

During the year ended December 31, 2017, 825,000 share purchase options were granted with a weighted average exercise price of \$0.10. The fair value of each outstanding share purchase options grant was estimated using Black-Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate	1.66%
Expected volatility	142.31%
Expected life (years)	5
Expected dividends (yield)	0%
Weighted average fair value per option	\$0.06

The total share-based payments for the year ended December 31, 2017 was \$62,653 (2016: \$125,729) and is recorded in the consolidated statement of comprehensive loss.

LIBERO COPPER CORPORATION**Notes to the consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***9. INCOME TAX**

The Company is subject to tax in Canada and the USA at the rate of 26% and 35%, respectively, for the year ended December 31, 2017. The Company had no assessable profit in Canada and the USA for the year ended December 31, 2017. In December 2017 a tax reform was enacted in the United States. The significant changes include a reduction to corporate income tax rates from 35% to 21% effective January 1, 2018. Effective January 1, 2018, the Canadian statutory tax rate increased to 27%.

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

For the years ended	December 31, 2017	December 31, 2016
Loss before tax	\$ (495,387)	\$ (320,261)
Statutory tax rate	26.00%	26.00%
Recovery tax at statutory rate	\$ (128,801)	\$ (83,268)
Non-deductible expenses	16,290	32,690
Unrecognized loss carryforwards	100,822	36,303
Difference in tax rate of foreign jurisdiction and other	11,689	14,275
Income tax recovery	-	-

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

For the years ended	As at December 31, 2017	As at December 31, 2016
Deductible temporary differences		
Loss carryforwards	\$ 3,880,442	\$ 3,440,262
Share issue costs	15,649	23,258
Resource properties	349,360	349,360
Investment tax credits	45,937	45,936
Capital loss carryforwards	331,069	331,069
Total deductible temporary differences	\$ 4,622,457	\$ 4,189,885

The Company has non-capital loss carryforwards of approximately \$3,880,442 (2016: \$3,440,262) 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.

LIBERO COPPER CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

10. RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions by the Company with related parties during the year ended December 31, 2017 and 2016:

For the year ended	December 31, 2017	December 31, 2016
Purchases during the year		
Costs recharged from a company controlled by directors, Robert Bell and Ian Slater	\$ 12,000	\$ 12,000
Legal fees to Farris, Vaughan, Wills & Murphy LLP in which one of the directors, Jay Sujir, is a partner	\$ 6,711	\$ 58,231
As at		
Amounts owed to		
Farris, Vaughan, Wills & Murphy LLP in which one of the directors, Jay Sujir, is a partner	\$ 56	\$ 14,474

There was no cash compensation paid to directors or officers of the Company during the years ended December 31, 2017 and 2016. The share-based payment expense related to directors and officers for the year ended December 31, 2017 was \$34,417 (2016: \$70,785). There were no other forms of compensation paid to directors or officers during the years ended December 31, 2017 and 2016.

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

11. CAPITAL MANAGEMENT

The Company's capital consists of common shares, contributed surplus, 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 the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares, or sell assets to reduce debt. 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 financings or other changes to the group's capital structure.

LIBERO COPPER CORPORATION

Notes to the consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

12. FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents and amounts receivable as loans and receivables and accounts payable and accrued liabilities as loans and borrowings. There has been no change to the designations of financial instruments during the year ended December 31, 2017.

a) Fair value

The fair value of these financial instruments approximates their carrying value, due to the short-term nature of these instruments.

The IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data.

The Company currently has no financial instruments measured at fair value.

The Company's financial assets and liabilities approximate fair value due to their short terms to maturity.

b) Financial risk management

Credit risk

The Company is exposed to credit risk with respect to its cash and cash equivalents and other assets. Cash and cash equivalents are on deposit with major Canadian 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 and maximum exposure thereto is as follows:

As at	December 31, 2017	December 31, 2016
Cash and cash equivalents	\$ 525,376	\$ 670,385

The credit risk associated with cash is minimized by ensuring the majority of these financial assets are held with a major Canadian financial institution with investment-grade ratings by a primary rating agency.

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 Company also has transactional currency exposures such as the Tomichi option agreement payments. Such exposures arise from purchases in currencies other than the Canadian dollar, typically the US dollar. The Company manages this risk by matching receipts and payments in the same currency and monitoring the movements in foreign currency.

LIBERO COPPER CORPORATION**Notes to the consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***12. FINANCIAL INSTRUMENTS (CONTINUED)****Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management has carried out a cash flow assessment and expects to have sufficient cash and cash equivalents to continue operating for the ensuing twelve months.

As at December 31, 2017	Within 1 year		More than one year		Total
Accounts payable and accrued liabilities	\$	31,813	\$	-	\$ 31,813