

# **LIBERO** COPPER

## **LIBERO COPPER & GOLD CORPORATION**

**Unaudited condensed interim consolidated financial statements  
For the three and six months ended June 30, 2022 and 2021**

**LIBERO COPPER & GOLD CORPORATION****Unaudited condensed interim consolidated statements of financial position***(expressed in Canadian dollars)*

<b>As at</b>	<b>Notes</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 1,282,135	\$ 3,397,568
Restricted cash		50,000	50,000
Amounts receivable		295,440	362,763
Prepaid expenses		543,045	211,769
		<b>2,170,620</b>	<b>4,022,100</b>
<b>Non-current assets</b>			
Property, plant and equipment	3	883,433	395,058
Mineral properties	4	2,059,431	1,971,564
Investments	5	700,000	1,000,000
Other receivables	6	104,081	88,081
		<b>3,746,945</b>	<b>3,454,703</b>
<b>Total assets</b>		<b>\$ 5,917,565</b>	<b>\$ 7,476,803</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	\$ 1,062,337	\$ 709,466
Current portion of lease liability	8	175,912	82,173
		<b>1,238,249</b>	<b>791,639</b>
<b>Non-current liabilities</b>			
Lease liability	8	269,795	111,463
		<b>269,795</b>	<b>111,463</b>
<b>Total liabilities</b>		<b>1,508,044</b>	<b>903,102</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	29,056,877	25,527,872
Contributed surplus		7,591,192	6,319,734
Accumulated other comprehensive income		24,394	5,696
Deficit		(32,262,942)	(25,279,601)
<b>Total shareholders' equity</b>		<b>4,409,521</b>	<b>6,573,701</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 5,917,565</b>	<b>\$ 7,476,803</b>
Going concern	1		
Subsequent events	14		

On behalf of the Board of Directors:

(signed) "Jay Sujir"  
Director

(signed) "Ian Slater"  
Director

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

**LIBERO COPPER & GOLD CORPORATION**
**Unaudited condensed interim consolidated statements of loss and comprehensive loss**
*(expressed in Canadian dollars)*

	Notes	Three months ended		Six months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>EXPENSES</b>					
Exploration	4	\$ 2,576,376	\$ 841,108	\$ 4,461,417	\$ 1,045,807
Share-based compensation	9(c)	307,989	303,955	743,302	540,024
Investor relations		335,847	200,941	549,494	405,682
General and administration		148,042	73,784	318,789	162,290
Salaries and benefits		159,770	64,054	270,789	153,903
Professional fees		16,285	67,850	122,659	106,335
Depreciation	3	62,400	22,892	113,771	46,442
Projects evaluations		-	942	-	11,063
<b>Total operating expenses</b>		<b>3,606,709</b>	<b>1,575,526</b>	<b>6,580,221</b>	<b>2,471,546</b>
<b>OTHER (INCOME) EXPENSES</b>					
Loss on investments	5	580,000	-	300,000	-
Gain on sale of subsidiary		-	-	-	(609,697)
Gain on marketable securities	13	-	(96,584)	-	(96,584)
Foreign exchange loss (gain)		7,502	(2,205)	27,422	(13,875)
Interest and other expense		58,628	4,286	75,698	9,111
<b>Loss before income taxes</b>		<b>4,252,839</b>	<b>1,481,023</b>	<b>6,983,341</b>	<b>1,760,501</b>
Deferred income tax recovery		-	(67,997)	-	(76,740)
<b>Net loss for the period</b>		<b>\$ 4,252,839</b>	<b>\$ 1,413,026</b>	<b>\$ 6,983,341</b>	<b>\$ 1,683,761</b>
<b>Other comprehensive income</b>					
Foreign currency translation difference for foreign operations		(18,310)	(236)	(18,698)	(236)
<b>Total comprehensive loss for the period</b>		<b>\$ 4,234,529</b>	<b>\$ 1,412,790</b>	<b>\$ 6,964,643</b>	<b>\$ 1,683,525</b>
Basic and diluted loss per share		\$ 0.07	\$ 0.03	\$ 0.11	\$ 0.04
Weighted average number of common shares outstanding		64,134,989	44,332,908	62,824,460	39,923,392

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

**LIBERO COPPER & GOLD CORPORATION**
**Unaudited condensed interim consolidated statements of changes in equity**
*(expressed in Canadian dollars)*

	Notes	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
<b>Balance, December 31, 2020</b>		<b>29,683,683</b>	<b>\$ 13,633,487</b>	<b>\$ 3,655,856</b>	<b>\$ -</b>	<b>(15,140,410)</b>	<b>\$ 2,148,933</b>
Private placement, gross proceeds	9(a),(b)	13,364,130	5,490,841	1,509,159	-	-	7,000,000
Share issue costs			(355,368)	-	-	-	(355,368)
Flow-through share premium liability	10	-	(363,636)	-	-	-	(363,636)
Shares issued for mineral property acquisition, net of share issue costs	9(a)	60,000	28,275	-	-	-	28,275
Share-based compensation	9(c)	-	-	540,024	-	-	540,024
Warrants exercised	9(c)	3,190,000	2,951,932	(584,432)	-	-	2,367,500
Share purchase options exercised	9(b)	345,000	274,726	(122,726)	-	-	152,000
Foreign exchange translation					236	-	236
Net loss for the period		-	-	-	-	(1,683,761)	(1,683,761)
<b>Balance June 30, 2021</b>		<b>46,642,813</b>	<b>21,660,257</b>	<b>4,997,881</b>	<b>236</b>	<b>(16,824,171)</b>	<b>9,834,203</b>
<b>Balance, December 31, 2021</b>		<b>56,447,813</b>	<b>\$ 25,527,872</b>	<b>\$ 6,319,734</b>	<b>\$ 5,696</b>	<b>(25,279,601)</b>	<b>\$ 6,573,701</b>
Private placement, gross proceeds	9(a),(b)	7,000,000	2,789,598	710,402	-	-	3,500,000
Share issue costs		-	(31,154)	-	-	-	(31,154)
Shares issued for mineral property acquisition, net of share issue costs	9(a)	80,000	38,600	-	-	-	38,600
Warrants exercised	9(b)	639,620	605,598	(125,883)	-	-	479,715
Share purchase options exercised	9(b)	150,000	126,363	(56,363)	-	-	70,000
Share-based compensation	9(c)	-	-	743,302	-	-	743,302
Foreign exchange translation		-	-	-	18,698	-	18,698
Net loss for the period		-	-	-	-	(6,983,341)	(6,983,341)
<b>Balance, June 30, 2022</b>		<b>64,317,433</b>	<b>29,056,877</b>	<b>7,591,192</b>	<b>24,394</b>	<b>(32,262,942)</b>	<b>4,409,521</b>

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

**LIBERO COPPER & GOLD CORPORATION**  
**Unaudited condensed interim consolidated statements of cash flows**  
*(expressed in Canadian dollars)*

For the six months ended	Notes	June 30, 2022	June 30, 2021
<b>OPERATING ACTIVITIES</b>			
Net loss for the period		\$ (6,983,341)	\$ (1,683,761)
<i>Adjustments for items not involving cash:</i>			
Share-based compensation	9(c)	743,302	540,024
Depreciation	3	113,771	46,442
Interest expense, net		25,829	9,111
Other receivables		(16,000)	-
Foreign exchange loss (gain)		27,817	(12,611)
Loss on investments		300,000	-
Gain on sale of subsidiary		-	(609,697)
Deferred income tax recovery		-	(76,740)
		<b>(5,788,622)</b>	<b>(1,787,232)</b>
<i>Net changes in non-cash working capital items:</i>			
Amounts receivable		67,325	25,266
Prepaid expenses		(331,276)	(1,603,396)
Accounts payable and accrued liabilities		289,878	277,017
<b>Net cash outflows from operating activities</b>		<b>(5,762,695)</b>	<b>(3,088,345)</b>
<b>FINANCING ACTIVITIES</b>			
Issuance of private placement units	9(a),(b)	3,500,000	7,000,000
Share issue costs		(31,154)	(355,368)
Proceeds from exercise of warrants and share purchase options	9(b),(c)	549,715	2,519,500
Cash principal and interest payments of lease liability	8	(94,441)	(51,464)
<b>Net cash inflows from financing activities</b>		<b>3,924,120</b>	<b>9,112,668</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant, and equipment	3	(245,893)	(3,289)
Acquisition of a subsidiary, net of cash acquired	4	-	(58,898)
Acquisition of mineral properties	4	(29,701)	(314,867)
Reclamation bond	6	-	(32,000)
<b>Net cash outflows from investing activities</b>		<b>(275,594)</b>	<b>(409,054)</b>
Effect of exchange rate changes on cash		(1,264)	(1,027)
<b>Net increase in cash and cash equivalents</b>		<b>(2,115,433)</b>	<b>5,614,242</b>
Cash and cash equivalents, beginning of the period		3,397,568	891,798
<b>Cash and cash equivalents, end of the period</b>		<b>\$ 1,282,135</b>	<b>\$ 6,506,040</b>

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

## **LIBERO COPPER & GOLD CORPORATION**

### **Notes to unaudited condensed interim consolidated financial statements**

*(expressed in Canadian dollars, unless otherwise stated)*

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

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

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

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

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

##### **Going Concern**

The Company’s unaudited interim financial statements are prepared on a going concern basis, which contemplates that the Company will continue its operations for at least twelve months from June 30, 2022 and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenue from operations and will require additional financing or outside participation to undertake further exploration and subsequent development of its mineral properties. 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.

As at June 30, 2022, the Company had cash and cash equivalents of \$1,282,135 and working capital of \$932,371. For the six months ended June 30, 2022, the Company incurred a loss of \$6,983,341 and used cash in operations of \$5,762,695. Subsequent to June 30, 2022, the Company completed a private placement consisting of flowthrough and non-flowthrough shares for aggregate gross proceeds of \$4,543,331 (\$4,393,146 net of share issue costs) (See note 14).

The Company’s operations to date have been financed by the issuance of common shares, and exercise of options and warrants. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing. There is no guarantee that the Company will be able to continue to secure additional financings in the future on terms that are favourable. The nature and significance of this material uncertainty may cast significant doubt upon the Company’s ability to continue as a going concern, which would adversely impact its ability to realize its assets and discharge its liabilities in the normal course of business. To date, the Company has not used debt to further its exploration programs, and the Company has no plans to use debt financing at the present time.

These unaudited condensed interim 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 unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

The unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting, and, accordingly, they do not contain all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). Therefore, they should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS.

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

The unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2022 were authorized for issue by the Board of Directors on August 25, 2022.

**3. PROPERTY, PLANT AND EQUIPMENT**

	Leases (note 8)	Leasehold improvements	Office equipment	Machinery and equipment	Computer hardware	Total
<b>Cost</b>						
<b>Balance, January 1, 2021</b>	\$ 386,776	\$ 20,378	\$ 7,280	\$ -	\$ -	\$ 414,434
Additions	21,663	5,448	3,342	175,321	15,333	221,107
Disposals	(1,111)	-	-	-	-	(1,111)
<b>Balance, December 31, 2021</b>	\$ 407,328	\$ 25,826	\$ 10,622	\$ 175,321	\$ 15,333	\$ 634,430
Additions	356,252	-	12,820	159,531	73,543	602,146
Disposals	-	-	-	-	-	-
<b>Balance, June 30, 2022</b>	763,580	25,826	23,442	334,852	88,876	1,236,576
<b>Accumulated depreciation</b>						
<b>Balance, January 1, 2021</b>	\$ (131,871)	\$ (7,892)	\$ (1,384)	\$ -	\$ -	\$ (141,147)
Depreciation	(87,794)	(4,374)	(868)	(4,419)	(770)	(98,225)
<b>Balance, December 31, 2021</b>	\$ (219,665)	\$ (12,266)	\$ (2,252)	\$ (4,419)	\$ (770)	\$ (239,372)
Depreciation	(83,477)	(2,137)	(883)	(23,115)	(4,159)	(113,771)
<b>Balance, June 30, 2022</b>	(303,142)	(14,403)	(3,135)	(27,534)	(4,929)	(353,143)
<b>Net book value, June 30, 2022</b>	\$ 460,438	\$ 11,423	\$ 20,307	\$ 307,318	\$ 83,947	\$ 883,433
<b>Net book value, December 31, 2021</b>	\$ 187,663	\$ 13,560	\$ 8,370	\$ 170,902	\$ 14,563	\$ 395,058
<b>Net book value, January 1, 2021</b>	\$ 254,905	\$ 12,486	\$ 5,896	\$ -	\$ -	\$ 273,287

**LIBERO COPPER & GOLD CORPORATION****Notes to unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***4. MINERAL PROPERTIES**

Mineral properties consist of all direct costs, including option payments and transaction costs, incurred by the Company to acquire its mineral properties and to maintain its ownership rights. Mineral properties balances changed during the six months ended June 30, 2022, as follows:

	<b>Mocoa</b>	<b>Tomichi</b>	<b>Big Red</b>	<b>Big Bulk</b>	<b>Esperanza</b>	<b>Total</b>
<b>Balance, December 31, 2020</b>	<b>\$ 931,107</b>	<b>\$ 384,961</b>	<b>\$ 128,080</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,444,148</b>
Acquisition	39,281	-	68,500	177,916	620,976	906,673
Sale of subsidiary	-	(384,961)	-	-	-	(384,961)
Effect of foreign exchange translation	-	-	-	-	5,704	5,704
<b>Balance, December 31, 2021</b>	<b>\$ 970,388</b>	<b>-</b>	<b>\$ 196,580</b>	<b>\$ 177,916</b>	<b>\$ 626,680</b>	<b>\$ 1,971,564</b>
Acquisition	-	-	88,400	-	-	88,400
Donated land	(20,299)	-	-	-	-	(20,299)
Effect of foreign exchange translation	-	-	-	-	19,766	19,766
<b>Balance, June 30, 2022</b>	<b>\$ 950,089</b>	<b>-</b>	<b>\$ 284,980</b>	<b>\$ 177,916</b>	<b>\$ 646,446</b>	<b>\$ 2,059,431</b>

**Mocoa Porphyry Copper-Molybdenum Deposit**

In June 2018, the Company acquired 100% of the Mocoa porphyry copper-molybdenum deposit ("Mocoa") in Colombia from B2 Gold Corp., in return for the issuance of 2,080,000 common shares of the Company and a 2% net smelter return royalty ("NSR royalty").

**Big Red Porphyry Gold-Copper Property**

In February 2019, the Company closed an option agreement to acquire 100% of the Big Red porphyry gold-copper property in the Golden Triangle in British Columbia, Canada ("Big Red"), and incurred a total of \$284,980 of acquisition costs as at March 31, 2022 (December 31, 2021: \$196,580). The Company, at its option, may acquire 100% of Big Red in return for the issuance of 400,000 common shares of the Company and cash payments of \$440,000 over four years (the "Option") as follows:

- \$20,000 and 20,000 common shares on January 25, 2019 (*paid and issued, respectively*);
- \$30,000 and 40,000 common shares on January 25, 2020 (*paid and issued, respectively*);
- \$40,000 and 60,000 common shares on January 25, 2021 (*paid and issued, respectively*);
- \$50,000 and 80,000 common shares on January 25, 2022; (*paid and issued, respectively*); and
- \$300,000 and 200,000 common shares on January 25, 2023.

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



## LIBERO COPPER & GOLD CORPORATION

### Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

#### 4. MINERAL PROPERTIES (CONTINUED)

##### Big Bulk Porphyry Copper-Gold Property

In January 2021, the Company acquired Big Bulk Resources Corporation, which had the option to acquire 100% of the Big Bulk porphyry copper-gold property in the Golden Triangle in British Columbia, Canada ("Big Bulk"), for \$100,000. For accounting purposes, the transaction was treated as an asset acquisition.

Purchase consideration paid:

Cash	\$	100,000
Transaction costs		2,916
<b>Total consideration</b>	<b>\$</b>	<b>102,916</b>

The purchase consideration has been allocated as follows:

Cash and cash equivalents	\$	44,018
Mineral properties		59,823
Accounts payable and accrued liabilities		(925)
<b>Net assets acquired</b>	<b>\$</b>	<b>102,916</b>

On June 25, 2021, the Company and its 100% owned subsidiary Big Bulk Resources Corporation, amalgamated.

The Company has a five-year option until December 31, 2025 to acquire 100% of Big Bulk for \$1,000,000 in cash or the issuance of common shares of the Company. The Company must incur \$750,000 of exploration expenditures (completed) and make the following cash payments totaling \$625,000 over five years in order to maintain its rights under the option agreement:

- \$50,000 on October 7, 2020 (paid by Big Bulk Resources Corporation prior to acquisition by Libero);
- \$75,000 on December 31, 2021 (paid);
- \$100,000 on December 31, 2022;
- \$150,000 on December 31, 2023; and
- \$250,000 on December 31, 2024.

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

##### 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. The Company has incurred a total of \$620,976 of acquisition costs net of foreign exchange differences as of March 31, 2022 (December 31, 2021: \$620,976). The Company must make the following option payments to the original project vendors and incur US \$2,000,000 of exploration expenditures in order to maintain its rights under the option agreement:

- US \$220,000 on July 14, 2021 (paid);
- US \$250,000 on December 15, 2021 (paid);
- US \$200,000 30 days after a drill permit is issued; No permit has been received to date.
- US \$250,000 6 months after a drill permit is issued;
- US \$600,000 12 months after a drill permit is issued;
- US \$433,000 18 months after a drill permit is issued; and
- US \$450,000 24 months after a drill permit is issued.

Drill permitting is on-going. Upon the exercise of the option, the Company and Latin Metals will form a 70/30 joint venture for the continued exploration and development of the project.

**LIBERO COPPER & GOLD CORPORATION****Notes to unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***4. MINERAL PROPERTIES (CONTINUED)**

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.

**Exploration**

The following is a summary of the Mocoa, Tomichi, Big Red, Big Bulk, and Esperanza exploration expenses for the three and six months ended June 30, 2022, and 2021:

<b>For the three months ended</b>					
<b>June 30, 2022</b>	<b>Mocoa</b>	<b>Big Red</b>	<b>Big Bulk</b>	<b>Esperanza</b>	<b>Total</b>
Technical and geological consulting	\$ 969,749	\$ 310,177	\$ 15,077	\$ 151,587	\$1,446,590
Field and camp	186,320	248,234	-	-	434,554
Drilling	166,078	30,645	-	-	196,723
Geochemical and mapping	14,416	235,255	-	-	249,671
Legal and office administration	191,018	7,220	-	-	198,238
Environmental, social and governance	48,711	-	-	-	48,711
License and permits	633	-	-	-	633
	<b>\$1,576,925</b>	<b>\$831,531</b>	<b>15,077</b>	<b>151,587</b>	<b>\$2,575,120</b>
Foreign exchange translation	-	-	-	1,256	1,256
<b>Total exploration expenses</b>	<b>\$1,576,925</b>	<b>\$ 831,531</b>	<b>\$ 15,077</b>	<b>\$ 152,843</b>	<b>\$2,576,376</b>

<b>For the six months ended</b>					
<b>June 30, 2022</b>	<b>Mocoa</b>	<b>Big Red</b>	<b>Big Bulk</b>	<b>Esperanza</b>	<b>Total</b>
Technical and geological consulting	\$ 1,898,722	\$ 330,246	\$ 17,002	\$ 239,007	\$2,484,977
Field and camp	388,750	248,234	-	-	636,984
Drilling	436,443	112,879	-	-	549,322
Geochemical and mapping	121,872	242,724	-	-	364,596
Legal and office administration	262,360	7,220	-	-	269,580
Environmental, social and governance	148,420	-	-	-	148,420
License and permits	21,932	738	(16,000)	-	6,670
	<b>\$3,278,499</b>	<b>942,041</b>	<b>1,002</b>	<b>239,007</b>	<b>\$4,460,549</b>
Foreign exchange translation	-	-	-	868	868
<b>Total exploration expenses</b>	<b>\$ 3,278,499</b>	<b>\$ 942,041</b>	<b>\$ 1,002</b>	<b>\$ 239,875</b>	<b>\$ 4,461,417</b>

**LIBERO COPPER & GOLD CORPORATION****Notes to unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***4. MINERAL PROPERTIES (CONTINUED)****Exploration (continued)**

<b>For the three months ended June 30, 2021</b>	<b>Mocoa</b>	<b>Big Red</b>	<b>Big Bulk</b>	<b>Esperanza</b>	<b>Total</b>
Technical and geological consulting	\$ 117,075	\$ -	\$ 2,685	\$ 32,128	\$ 151,888
Geochemical and mapping	-	207,718	30,975	40,622	279,315
Drilling	-	272,699	-	-	272,699
Environmental, social and governance	39,874	44,728	-	-	84,602
License and permits	38,506	30	-	-	38,536
Legal and office administration	14,068	-	-	-	14,068
<b>Total exploration expenses</b>	<b>\$ 209,523</b>	<b>\$ 525,175</b>	<b>\$ 33,660</b>	<b>\$ 72,750</b>	<b>\$ 841,108</b>

<b>For the six months ended June 30, 2021</b>	<b>Mocoa</b>	<b>Tomichi</b>	<b>Big Red</b>	<b>Big Bulk</b>	<b>Esperanza</b>	<b>Total</b>
Technical and geological consulting	\$ 206,765	\$ -	\$ 62,585	\$ 6,525	\$ 63,737	\$ 339,612
Geochemical and mapping	-	-	210,023	30,975	40,622	281,620
Drilling	-	-	272,699	-	-	272,699
Environmental, social and governance	39,874	-	44,728	-	-	84,602
License and permits	45,741	392	2,293	-	-	48,426
Legal and office administration	14,068	-	-	-	-	14,068
Field and camp	4,749	31	-	-	-	4,780
<b>Total exploration expenses</b>	<b>\$ 311,197</b>	<b>\$ 423</b>	<b>\$ 592,328</b>	<b>\$ 37,500</b>	<b>\$ 104,359</b>	<b>\$ 1,045,807</b>

**5. INVESTMENTS**

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

<b>Balance, December 31, 2021</b>	<b>\$ 1,000,000</b>
Fair value adjustment (Zacapa closing price of \$0.64 per share at March 31 2022)	280,000
<b>Balance March 31, 2022</b>	<b>1,280,000</b>
Fair value adjustment (Zacapa closing price of \$0.35 per share at June 30, 2022)	(580,000)
<b>Balance, June 30, 2022</b>	<b>\$ 700,000</b>

The Company measured the Zacapa common shares at fair value using the quoted market price per share traded on the TSX Venture Exchange ("TSX-V") which was \$0.35 per share as at June 30, 2022. The fair value was determined to be \$700,000, resulting in an unrealized loss of \$300,000 in the statement of profit and loss.

**6. OTHER RECEIVABLES**

<b>As at</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Reclamation bond – Big Red	\$ 60,000	\$ 60,000
Reclamation bond – Big Bulk	16,000	-
Security deposit – Office Lease	28,081	28,081
<b>Total</b>	<b>\$ 104,081</b>	<b>\$ 88,081</b>

**LIBERO COPPER & GOLD CORPORATION****Notes to unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

As at	June 30, 2022	December 31, 2021
Trade payables	\$ 680,886	\$ 288,723
Other accrued liabilities	381,451	420,743
<b>Total</b>	<b>\$ 1,062,337</b>	<b>\$ 709,466</b>

**8. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

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

During the period ended June 30, 2022, the Company's 100% owned subsidiary in Columbia entered into several leases relating to housing in Mocoa for the Company's contractors working on site and extended the office leases in Bogota. The term for the leases is between 2 and 5 years up to 2027. The Company recorded a right-of-use asset of \$356,252 within property, plant and equipment (note 3). The Company recorded a corresponding net lease liability of \$356,252. The incremental borrowing rate for the lease liability recognized as of June 30, 2022, was 12.5%.

	Lease liability
<b>Balance, December 31, 2020</b>	<b>\$ 266,555</b>
Additions	21,663
Disposals	(1,111)
Cash principal and interest payments	(104,518)
Interest expense	11,047
<b>Balance, December 31, 2021</b>	<b>\$ 193,636</b>
Additions	356,252
Cash principal and interest payments	(94,441)
Interest expense	24,145
Foreign exchange differences	(33,885)
<b>Balance, June 30, 2022</b>	<b>\$ 445,707</b>
Current portion of lease liability	175,912
<b>Long-term portion of lease liability</b>	<b>\$ 269,795</b>

## LIBERO COPPER & GOLD CORPORATION

### Notes to unaudited condensed interim consolidated financial statements

*(expressed in Canadian dollars, unless otherwise stated)*

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#### 9. SHARE CAPITAL

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##### a) Authorized share capital

Unlimited number of common shares without par value.

On January 7, 2022, the Company issued 80,000 common shares with a fair value of \$38,600 in accordance with the Big Red option agreement (note 4).

On January 27, 2022, the Company closed the final tranche of the non-brokered private placement. 7,000,000 Units were issued at a price of \$0.50 per Unit for gross proceeds of \$3,500,000. Total gross proceeds received from the three tranches of the private placement were \$8,300,000.

Each Unit is comprised of one common share (each, a "Unit Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant issued in this final tranche entitles the holder thereof to purchase one common share (each, a "Warrant Share") at a price of \$0.75 until January 26, 2024. If during the exercise period of the Warrants, but after the resale restrictions on the Common Shares have expired, the closing price of the Common Shares is at a price equal to or greater than \$1.00 for a period of 10 consecutive trading days the Company will have the right to accelerate the expiry date of the Warrants by giving written notice to the holders of the Warrants that the Warrants will expire on the date that is 30 days after the issuance of said notice

On April 19, 21, and 26, 2022, 150,000 share purchase options were exercised at an average exercise price of \$0.47 per option for total proceeds of \$70,000. The weighted average market price during this time period was \$0.87, \$0.81, and \$0.69

Also, during the period ended June 30, 2022, 639,620 share purchase warrants were exercised at a price of \$0.75 for total proceeds of \$479,715.

As at June 30, 2022, the Company had 64,317,433 common shares issued and outstanding.

##### b) Warrants

As noted above, on January 27, 2022, 3,500,000 share purchase 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 warrant share until January 26, 2024.

On March 12, 2022, 900,000 share purchase warrants with an exercise price of \$0.75 expired unexercised. On May 13, 2022, 6,924,416 share purchase warrants with an exercise price of \$0.75 expired unexercised.

**LIBERO COPPER & GOLD CORPORATION**
**Notes to unaudited condensed interim consolidated financial statements**
*(expressed in Canadian dollars, unless otherwise stated)*
**9. SHARE CAPITAL (CONTINUED)**
**b) Warrants (continued)**

Information regarding warrants outstanding at June 30, 2022 is as follows:

	Warrants outstanding		Weighted average exercise price
<b>Outstanding, December 31, 2020</b>	<b>14,584,416</b>	\$	<b>0.74</b>
Issued	11,582,265		0.75
Exercised	(3,190,000)		0.74
Expired	(3,430,000)		0.71
<b>Outstanding, December 31, 2021</b>	<b>19,546,681</b>	\$	<b>0.75</b>
Issued	3,500,000		0.75
Exercised	(639,620)		0.75
Expired	(7,824,416)		0.75
<b>Outstanding, June 30, 2022</b>	<b>14,582,645</b>	\$	<b>\$0.75</b>

As at June 30, 2022 the Company had 14,582,645 warrants outstanding, with an average exercise price of \$0.75 and a weighted average remaining life of 1.13 years:

Expiry date	Warrants outstanding		Weighted average exercise price	Weighted average remaining life (years)
February 22, 2023	6,342,445		0.75	0.65
December 1, 2023	1,840,000		0.75	1.42
December 1, 2023	100,200		0.50	1.42
December 22, 2023	2,800,000		0.75	1.48
January 24, 2024	3,500,000		0.75	1.57
	<b>14,582,645</b>	\$	<b>0.75</b>	<b>1.13</b>

In connection with the unit offering private placements, the Company allocates the proceeds between the shares and warrants that make up each unit based on a relative fair value approach. The Company has included in contributed surplus \$710,402 (June 30, 2021: \$1,509,159) for the warrants based on the relative fair value method with the following weighted average variables:

	June 30, 2022		June 30, 2021
Risk free interest rate	1.26%		0.23%
Expected volatility	117.70%		131.91%
Expected life (years)	2		2
Expected dividends (yield)	0%		0%
<b>Fair value per warrant</b>	<b>\$ 0.25</b>	\$	<b>\$ 0.30</b>

**LIBERO COPPER & GOLD CORPORATION****Notes to unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***9. SHARE CAPITAL (CONTINUED)****b) Share Purchase Options**

During the six months ended June 30, 2022, the Company granted 1,075,000 share purchase options to employees and consultants pursuant to the Company's share purchase plan. The share purchase options are exercisable at a weighted average exercise price of \$0.56 per option and will expire on February 15, 2027.

Information regarding share purchase options outstanding at June 30, 2022 is as follows:

	Options outstanding		Weighted average exercise price
<b>Outstanding, December 31, 2020</b>	<b>2,995,000</b>	\$	<b>0.45</b>
Granted	3,065,000		0.53
Exercised	(550,000)		0.41
Expired	(355,000)		0.63
Forfeiture	(60,000)		0.43
<b>Outstanding, December 31, 2021</b>	<b>5,095,000</b>	\$	<b>0.50</b>
Granted	1,075,000		0.56
Exercised	(150,000)		0.47
Expired	(90,000)		0.53
Forfeiture	(30,000)		0.53
<b>Outstanding, June 30, 2022</b>	<b>5,900,000</b>	\$	<b>0.51</b>

Information regarding share purchase options outstanding and exercisable at June 30, 2022 is as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining life (years)
December 15, 2022	60,000	60,000	\$ 0.50	0.46
December 11, 2023	660,000	660,000	0.48	1.45
April 5, 2024	200,000	100,000	0.56	1.58
October 2, 2024	250,000	250,000	0.77	2.26
December 17, 2025	1,330,000	1,330,000	0.40	3.47
April 13, 2026	750,000	750,000	0.56	3.79
December 24, 2026	1,625,000	1,206,250	0.52	4.49
February 15, 2027	1,025,000	400,000	0.56	4.63
	<b>5,900,000</b>	<b>4,756,250</b>	\$ <b>0.51</b>	<b>3.63</b>

**LIBERO COPPER & GOLD CORPORATION****Notes to unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***9. SHARE CAPITAL (CONTINUED)****c) Share Purchase Options** (continued)

The fair value of the options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	June 30, 2022	June 30, 2021
Risk free interest rate	1.96%	0.80%
Expected volatility	115.02%	123.24%
Expected life (years)	5	5
Expected dividends (yield)	0%	0%
<b>Fair value per option</b>	<b>\$ 0.45</b>	<b>\$ 0.44</b>

Share-based compensation expense related to share purchase options for the three and six months ended June 30, 2022, was \$307,989, and \$743,302 (June 30, 2021: \$303,955; \$540,024) and has been recorded in the consolidated statements of loss and comprehensive loss.

**10. 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	
<b>Balance, December 31, 2020</b>	\$	<b>132,436</b>
Liability incurred on flow-through shares issued		363,636
Settlement of flow-through share premium liability upon incurring qualifying expenses		(496,072)
<b>Balance, December 31, 2021</b>	\$	-
Liability incurred on flow-through shares issued		-
Settlement of flow-through share premium liability upon incurring qualifying expenses		-
<b>Balance, June 30, 2022</b>	<b>\$</b>	<b>-</b>

No flow-through expenditures were incurred during the three and six months ended June 30, 2022 (June 30, 2021: \$622,026). However, subsequent to June 30, 2022, the Company completed a flow-through private placement (See note 14).



**LIBERO COPPER & GOLD CORPORATION****Notes to unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***11. RELATED PARTY TRANSACTIONS**

Key management, directors, and officers received the following salaries and benefits during the six months ended June 30, 2022 and 2021:

<b>For the six months ended</b>	<b>June 30, 2022</b>		<b>June 30, 2021</b>	
Share-based compensation	\$	381,101	\$	365,412
Employee salaries and benefits		243,626		151,981
	\$	<b>624,727</b>	\$	<b>517,393</b>

The following table provides outstanding balances and the total amount of transactions, which have been entered into by the Company with related parties during the six months ended June 30, 2022 and 2021:

<b>For the six months ended</b>	<b>June 30, 2022</b>		<b>June 30, 2021</b>	
<b>Purchases:</b>				
Accounting and legal costs recharged from a company controlled by director Ian Slater	\$	150,000	\$	90,000
Legal fees to Farris, LLP in which director Jay Sujir is a partner	\$	26,357	\$	29,206
Geological consulting fees to Serac Exploration Ltd. a company with two common directors, Ian Slater, and Bradley Rourke.	\$	484,030	\$	180,571
Geological consulting fees to Scottie Resources Corp., a company with two common directors Earnest Mast and Bradley Rourke	\$	-	\$	10,915
<b>As at</b>		<b>June 30, 2022</b>		<b>December 31, 2021</b>
<b>Amounts owed to:</b>				
Farris, LLP in which director Jay Sujir is a partner	\$	-	\$	107,983
Serac Exploration Ltd. a company with two common directors, Ian Slater, and Bradley Rourke.	\$	-	\$	2,295

The amounts owed to companies controlled by directors and officers of the Company are trade payables incurred in normal course, non-interest bearing and due on demand.

## LIBERO COPPER & GOLD CORPORATION

### Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

#### 12. 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, USA, Argentina and Colombia, as follows:

As at June 30, 2022		Canada	Argentina	Colombia	Total
Total assets	\$	2,850,816	646,446	2,420,303	5,917,565
Total liabilities		795,813	-	712,231	1,508,044
Net loss	\$	3,626,583	165,125	3,191,633	6,983,341

As at June 30, 2021		Canada	USA	Argentina	Colombia	Total
Total assets	\$	9,705,753	-	275,867	1,003,304	10,984,924
Total liabilities		981,208	-	14,015	155,498	1,150,721
Net loss	\$	1,316,505	466	61,233	305,557	1,683,761

#### 13. FINANCIAL INSTRUMENTS

The Company's cash and cash equivalents and amounts receivable are financial assets at amortized cost and accounts payable and accrued liabilities are financial liabilities at amortized cost.

##### a) Fair value

The fair values of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments. The Company currently holds the shares in Zacapa at fair value.

##### b) Marketable securities

The shares of Zacapa Resources Ltd. ("TSX-V ZACA") are recorded at fair value and are calculated under the fair value hierarchy and measured using Level 1 inputs of quoted share prices available in active markets (note 5). On June 30, 2022, the Company recorded an unrealized loss of \$580,000 and \$300,000 for the three and six months ended June 30, 2022.

#### 14. SUBSEQUENT EVENTS

##### Flow-Through private placement

On July 28<sup>th</sup>, 2022 and August 5, 2022 the Company closed two tranches of a non-brokered private placement (the "Offering") consisting of 10,867,670 flow-through common shares and 2,900,000 non flow-through common shares at a price of \$0.33 per share for aggregate gross proceeds of \$3,586,331 (\$3,436,146 net of share issue costs) and \$957,000 respectively. Common shares issued under the flow-through share offering qualify as flow-through shares are required to be used to incur "Canadian exploration expenditures" that will be renounced to the initial purchasers of the flow-through shares. Canadian exploration expenses ("CEE") include geological/geophysical/geochemical surveying, drilling, trenching, digging test pits or sampling,

**LIBERO COPPER & GOLD CORPORATION**

**Notes to unaudited condensed interim consolidated financial statements**

*(expressed in Canadian dollars, unless otherwise stated)*

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**14. SUBSEQUENT EVENTS (CONTINUED)**

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**Share purchase options**

Subsequent to June 30, 2022, the Company granted 275,000 share purchase options to employees and officers pursuant to the Company's share purchase plan. The share purchase options are exercisable at a price of \$0.32 per common share and will expire on February 15, 2027. 100,000 share purchase options were cancelled.