

LIBERO COPPER

LIBERO COPPER & GOLD CORPORATION

**Unaudited condensed interim consolidated financial statements
For the three and nine months ended September 30, 2023 and 2022**

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

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

As at	Notes	September 30, 2023	December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents		\$ 14,307	\$ 66,432
Restricted cash		50,000	50,000
Amounts receivable		287,274	260,716
Prepaid expenses		133,444	80,864
		485,025	458,012
Non-current assets			
Property, plant and equipment	3	502,443	795,423
Mineral properties	4	2,466,320	2,413,321
Investments	5	70,000	180,000
Other receivables	6	104,081	104,081
		3,142,844	3,492,825
Total assets		\$ 3,627,869	\$ 3,950,837
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 1,339,504	\$ 591,533
Flow-through share premium liability	10	36,034	126,400
Current portion of lease liability	8	56,553	141,439
Loans from related parties	11	374,734	-
		1,806,825	859,372
Non-current liabilities			
Lease liability	8	182,379	188,137
		182,379	188,137
Total liabilities		\$ 1,989,204	\$ 1,047,509
SHAREHOLDERS' EQUITY			
Share capital	9	\$ 36,348,923	\$ 33,507,032
Contributed surplus		9,641,629	8,338,169
Accumulated other comprehensive income		71,264	63,785
Deficit		(44,423,151)	(39,005,658)
Total shareholders' equity		1,638,665	2,903,328
Total liabilities and shareholders' equity		\$ 3,627,869	\$ 3,950,837
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	<u>Three months ended</u>		<u>Nine months ended</u>	
		<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
EXPENSES					
Exploration	4	\$ 818,403	\$ 3,314,973	\$ 2,972,701	\$ 7,776,390
Share-based compensation	9(c)	4,066	220,170	110,539	963,471
Investor relations		61,998	246,503	477,814	795,997
General and administration		83,003	98,496	404,845	417,286
Salaries and benefits		129,040	134,833	406,769	405,622
Professional fees		70,104	94,700	217,093	217,359
Depreciation	3	59,982	64,042	170,601	177,813
Total operating expenses		1,226,596	4,173,717	4,760,032	10,753,938
OTHER (INCOME) EXPENSES					
Loss on investments	5	-	410,000	110,000	710,000
Loss on disposal of equipment		7,711	-	7,711	-
Foreign exchange loss (gain)		9,327	80,197	(14,837)	107,619
Write-down of mineral properties		609,980	-	609,980	-
Interest and other expense		18,670	6,650	34,644	82,348
Loss before income taxes		1,872,284	4,670,564	5,507,860	11,653,905
Deferred income tax recovery		(76,307)	(317,484)	(90,367)	(317,484)
Net loss for the period		\$ 1,795,977	\$ 4,353,080	\$ 5,417,493	\$ 11,336,421
Other comprehensive income					
Foreign currency translation difference for foreign operations		(47,906)	(39,232)	(7,479)	(57,292)
Total comprehensive loss for the period		\$ 1,748,071	\$ 4,313,848	\$ 5,410,014	\$ 11,278,492
Basic and diluted loss per share		\$ 0.02	\$ 0.06	\$ 0.05	\$ 0.17
Weighted average number of common shares outstanding		111,376,233	66,885,449	108,114,883	66,417,201

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
Balance, December 31, 2021		56,447,813	\$ 25,527,872	\$ 6,319,734	\$ 5,696	\$ (25,279,601)	\$ 6,573,701
Private placement, gross proceeds	9(a),(b)	20,767,670	7,332,929	710,402	-	-	8,043,331
Share issue costs		-	(260,279)	-	-	-	(260,279)
Flow-through share premium liability		-	(498,705)	-	-	-	(498,705)
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)	-	-	963,471	-	-	963,471
Foreign exchange translation		-	-	-	57,929	-	57,929
Net loss for the period		-	-	-	-	(11,336,421)	(11,336,421)
Balance September 30, 2022		78,085,103	\$ 32,872,378	\$ 7,881,361	\$ 63,625	\$ (36,616,022)	\$ 4,131,342
Balance, December 31, 2022		84,732,103	\$ 33,507,032	\$ 8,338,169	\$ 63,785	\$ (39,005,658)	\$ 2,903,328
Share issuance, gross proceeds	9(a),(b)	37,794,000	3,195,615	1,127,302	-	-	4,322,917
Share issue costs		-	(378,724)	65,619	-	-	(313,105)
Shares issued for mineral property acquisition, net of share issue costs	9(a)	200,000	25,000	-	-	-	25,000
Share-based compensation	9(c)	-	-	110,539	-	-	110,539
Foreign exchange translation		-	-	-	7,479	-	7,479
Net loss for the period		-	-	-	-	(5,417,493)	(5,417,493)
Balance, September 30, 2023		122,726,103	\$ 36,348,923	\$ 9,641,629	\$ 71,264	\$ (44,423,151)	\$ 1,638,665

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 nine months ended	Notes	September 30, 2023	September 30, 2022
OPERATING ACTIVITIES			
Net loss for the period		\$ (5,417,493)	\$ (11,336,421)
<i>Adjustments for items not involving cash:</i>			
Share-based compensation	9(c)	110,539	963,471
Depreciation	3	170,601	177,813
Loss on disposal of equipment		7,711	-
Interest expense, net		36,035	58,771
Write-down of mineral properties		609,980	
Other receivables		-	(16,000)
Foreign exchange loss (gain)		(14,837)	106,057
Gain on investments		110,000	710,000
Deferred income tax recovery		(90,366)	(317,484)
		(4,477,830)	(9,653,793)
<i>Net changes in non-cash working capital items:</i>			
Amounts receivable		(26,558)	136,250
Prepaid expenses		(52,580)	(208,128)
Accounts payable and accrued liabilities		884,767	217,657
Net cash outflows from operating activities		\$ (3,672,201)	\$ (9,508,014)
FINANCING ACTIVITIES			
Proceeds from issuance of shares		4,322,917	8,043,331
Share issue costs	9(a),(b)	(313,105)	(260,279)
Proceeds from exercise of warrants and share purchase options	9(b),(c)	-	549,715
Proceeds from loan	11	364,619	-
Cash principal and interest payments of lease liability	8	(122,681)	(151,006)
Net cash inflows from financing activities		\$ 4,251,750	\$ 8,181,761
INVESTING ACTIVITIES			
Purchase of property, plant, and equipment	3	(1,173)	(265,860)
Acquisition of mineral properties	4	(631,300)	(29,701)
Net cash outflows from investing activities		\$ (632,473)	\$ (295,561)
Effect of exchange rate changes on cash		799	(1,263)
Net (decrease) increase in cash and cash equivalents		(52,125)	(1,623,077)
Cash and cash equivalents, beginning of the period		66,432	3,397,568
Cash and cash equivalents, end of the period		\$ 14,307	\$ 1,774,491

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)

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 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.

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 September 30, 2023 and will be able to realize its assets and discharge its liabilities in the normal course of business.

As at September 30, 2023, the Company had cash and cash equivalents of \$14,307 and a working capital deficit of \$1,321,800. For the nine months ended September 30, 2023, the Company incurred a loss of \$5,417,493 and used cash in operations of \$3,672,201.

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 factors represent material uncertainties that give rise to significant doubt as to whether the Company will be able to continue as a going concern.

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 Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) applicable to the preparation of interim financial statements, including 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 IFRS. Therefore, they should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2022, 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 nine months ended September 30, 2023, were authorized for issue by the Board of Directors on November 17, 2023.

3. PROPERTY, PLANT AND EQUIPMENT

	Leases (note 8)	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
Adjustment	(10,842)	-	-	(170,000)	-	(180,842)
Additions	-	-	-	-	1,173	1,173
Balance, September 30, 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)
Depreciation	(121,710)	(3,712)	(1,873)	25,091	(11,107)	(113,311)
Balance, September 30, 2023	\$ (508,232)	\$ (20,994)	\$ (6,009)	\$ (26,450)	\$ (23,217)	\$ (584,902)
Net book value, September 30, 2023						
	\$ 258,655	\$ 4,832	\$ 17,052	\$ 152,001	\$ 69,903	\$ 502,443
Net book value, December 31, 2022						
	\$ 391,205	\$ 8,544	\$ 18,926	\$ 296,911	\$ 79,837	\$ 795,423
Net book value, January 1, 2022						
	\$ 187,663	\$ 13,560	\$ 8,370	\$ 170,902	\$ 14,563	\$ 395,058

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 nine months ended September 30, 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	-	50,856	-	-	50,856
Balance, December 31, 2022	\$ 950,089	\$ 950,336	\$ 284,980	\$ 227,916	\$ 2,413,321
Acquisition	-	331,300	325,000	-	656,300
Write-down of mineral properties	-	-	(609,980)	-	(609,980)
Effect of foreign exchange translation	-	6,679	-	-	6,679
Balance, September 30, 2023	\$ 950,089	\$ 1,288,315	\$ -	\$ 227,916	\$ 2,446,320

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 2,080,000 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 are:

- 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 will 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.

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

4. MINERAL PROPERTIES (CONTINUED)

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 (acquisition costs to September 30, 2023 of \$609,980 (December 31, 2022: \$284,980)). The vendors have retained a 1% NSR royalty, 0.5% of which may be repurchased by the Company at any time for \$10 million.

In 2023, the Company was notified by the Tahltan Central Government (TCG) that they have arbitrarily reversed their support for mineral exploration activities over large areas including the Big Red project. Accordingly, the Company wrote off the costs related to the Big Red property totaling \$609,980. Previously the TCG enthusiastically supported the Big Red project.

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 has 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 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.

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

The following is a summary of the Mocoa, Big Red, Big Bulk, and Esperanza exploration expenses for the three and nine months ended September 30, 2023, and 2022:

For the three months ended					
September 30, 2023	Mocoa	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	\$ 391,207	\$ 3,318	\$ 7,379	\$ 100,310	\$502,214
Field and camp	82,754	100,530	-	-	183,284
Drilling	46,235	-	-	-	46,235
Travel	31,997	-	-	-	31,997
Geochemical and mapping	9,000	12,600	-	-	21,600
Legal and office administration	16,738	282	-	3,802	20,822
Environmental, social and governance	12,512	-	-	-	12,512
	\$590,443	\$116,730	\$7,379	\$104,112	\$818,664
Foreign exchange translation	-	-	-	(261)	(261)
Total exploration expenses	\$ 590,443	\$ 116,730	\$ 7,379	\$ 103,851	\$818,403

For the nine months ended					
September 30, 2023	Mocoa	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	\$ 1,609,045	\$ 76,505	\$ 30,434	\$ 279,209	\$1,995,193
Field and camp	353,125	110,551	-	-	463,676
Drilling	176,229	955	-	-	177,184
Travel	147,766	-	-	-	147,766
Geochemical and mapping	18,428	33,724	680	-	52,832
Legal and office administration	81,528	3,119	1,915	4,784	91,346
Environmental, social and governance	44,629	50	-	-	44,679
	\$2,430,750	\$224,904	\$33,029	\$283,993	\$2,972,676
Foreign exchange translation	-	-	-	25	25
Total exploration expenses	\$2,430,750	\$ 224,904	\$ 33,029	\$ 284,018	\$2,972,701

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)**

For the three months ended					
September 30, 2022	Mocoa	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	\$ 795,716	\$ 499,751	\$ 21,017	\$ 44,819	\$1,361,303
Drilling	82,663	694,001	-	-	776,664
Geochemical and mapping	-	738,578	-	-	738,578
Field and camp	111,214	463,555	-	-	574,769
Legal and office administration	114,362	2,816	-	-	117,178
Environmental, social and governance	63,314	-	-	-	63,314
License and permits	-	50	-	-	50
Mineral exploration tax credits recovered	-	(315,347)	-	-	(315,347)
	\$1,167,269	\$2,083,404	\$ 21,017	\$ 44,819	\$3,316,509
Foreign exchange translation	-	-	-	(1,536)	(1,536)
Total exploration expenses	\$1,167,269	\$2,083,404	\$ 21,017	\$ 43,283	\$3,314,973

For the nine months ended					
September 30, 2022	Mocoa	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	\$2,695,681	\$ 829,997	\$ 38,019	\$ 283,827	\$ 3,847,524
Drilling	519,274	806,880	-	-	1,326,154
Field and camp	499,964	711,790	-	-	1,211,754
Geochemical and mapping	120,630	981,302	-	-	1,101,932
Legal and office administration	376,722	10,035	-	-	386,757
Environmental, social and governance	211,734	-	-	-	211,734
License and permits	21,763	788	(16,000)	-	6,551
Mineral exploration tax credits recovered	-	(315,347)	-	-	(315,347)
	\$4,445,768	\$3,025,445	\$ 22,019	\$ 283,827	\$7,777,059
Foreign exchange translation	-	-	-	(669)	(669)
Total exploration expenses	\$4,445,768	\$3,025,445	\$ 22,019	\$ 283,158	\$7,776,390

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

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 held the option to acquire Tomichi, in return for the issuance of 2,000,000 Zacapa shares to the Company.

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 adjustment (Zacapa closing price of \$0.11 per share at March 31, 2023)		40,000
Balance, March 31, 2023		220,000
Fair value adjustment (Zacapa closing price of \$0.035 per share at June 30, 2023)		(150,000)
Balance, June 30, 2023	\$	70,000
Fair value adjustment (Zacapa closing price of \$0.035 per share at September 30, 2023)		-
Balance, September 30, 2023	\$	70,000

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 \$0.035 per share as at September 30, 2023. The fair value was determined to be \$70,000, resulting in an unrealized loss of \$110,000 in the statement of profit and loss.

6. OTHER RECEIVABLES

As at	September 30, 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

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	September 30, 2023	December 31, 2022
Trade payables	\$ 1,105,291	395,892
Other accrued liabilities	234,213	195,641
Total	\$ 1,339,504	591,533

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

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 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 a right-of-use asset of \$370,399 within property, plant and equipment (note 3). The Company recorded a corresponding net lease liability of \$370,399. The incremental borrowing rate for the lease liability recognized as of December 31, 2022, was 12.5%.

During the period ended September 30, 2023, the Company recorded a net adjustment of \$10,842 for right-of-use asset within property, plant and equipment (note 3). The incremental borrowing rate for the lease liability recognized as of September 30, 2023, was 12.5%.

	Lease liability
Balance, December 31, 2021	\$ 193,636
Additions	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	(10,842)
Cash principal and interest payments	(122,681)
Interest expense	25,917
Foreign exchange differences	16,962
Balance, September 30, 2023	238,932
	Current portion of lease liability 56,553
Long-term portion of lease liability	\$ 182,379

9. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

During the nine months ended September 30, 2023, the Company:

- Closed the final tranche of the 2022 non-brokered private placement. A total of 5,936,666 units were issued at a price of \$0.15 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 \$0.22 until expiry on January 6, 2025;
- Issued 200,000 common shares with a fair value of \$25,000 in accordance with the Big Red option agreement (note 4);
- Issued 6,194,000 common shares under its at-the-market equity program (the "ATM Program") for gross proceeds of \$495,917. 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.

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

- On February 17, 2023 the Company completed a non-brokered private placement. A total of 16,533,334 units were issued at a price of \$0.15 per unit for gross proceeds of \$2,480,000. Each unit is comprised of one common share (each, a "Common Share") and one common share purchase warrant. Each warrant issued entitles the holder thereof to purchase one common share at a price of \$0.22 until February 17, 2025: and
- On August 17, 2023 the Company completed a non-brokered private placement. A total of 9,130,000 units were issued at a price of \$0.05 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 \$0.075 until August 17, 2026

As at September 30, 2023, the Company had 122,726,103 common shares issued and outstanding.

b) Warrants

On January 06, 2023, a total of 6,014,666 share purchase warrants (including 78,000 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 \$0.22 per share until January 6, 2025.

On February 17, 2023, a total of 17,301,034 share purchase warrants (including 767,700 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 \$0.22 per share until February 17, 2025.

On August 17, 2023, a total of 9,563,800 share purchase warrants (including 433,800 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 \$0.075 per share until August 17, 2026.

On February 22, 2023, a total of 6,342,445 share purchase warrants with an exercise price of \$0.75 expired unexercised.

Information regarding warrants outstanding at September 30, 2023 is as follows:

	Warrants outstanding	Weighted average exercise price
Outstanding, December 31, 2021	19,546,681	\$ 0.75
Issued	10,424,500	0.40
Exercised	(639,620)	0.75
Expired	(7,824,416)	0.75
Outstanding, December 31, 2022	21,507,145	\$ 0.58
Issued	32,879,500	0.18
Expired	(6,342,445)	0.75
Outstanding, September 30, 2023	48,044,200	\$ 0.28

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)

As at September 30, 2023 the Company had 48,044,200 warrants outstanding (see table below), with an average exercise price of \$0.28 and a weighted average remaining life of 1.46 years.

Expiry date	Warrants outstanding	Weighted average exercise price	Weighted average remaining life (years)
December 1, 2023	1,840,000	0.75	0.17
December 1, 2023	100,200	0.50	0.17
December 22, 2023	2,800,000	0.75	0.23
January 26, 2024	3,500,000	0.75	0.32
December 30, 2024	6,924,500	0.22	1.25
January 6, 2025	6,014,666	0.22	1.27
February 17, 2025	17,301,034	0.22	1.38
August 17, 2026	9,563,800	0.075	2.88
	48,044,200	\$ 0.28	1.46

During the nine months ended September 30, 2023, the Company recorded a fair value of \$1,127,302 (September 30, 2022: \$710,402) within contributed surplus, for the issue of 32,883,700 (September 30, 2022: 3,500,000) warrants based on the Black Scholes model with the following weighted average variables.

	September 30, 2023	September 30, 2022
Risk free interest rate	2.72%	1.26%
Expected volatility	91%	117.7%
Expected life (years)	2	2
Expected dividends (yield)	0%	0%
Fair value per warrant	0.05	0.25

c) Share Purchase Options

Information regarding share purchase options outstanding at September 30, 2023 and changes for the nine months ended September 30, 2023 are as follows:

	Options outstanding	Weighted average exercise price
Outstanding, December 31, 2021	5,095,000	0.50
Granted	3,125,000	0.33
Exercised	(150,000)	0.47
Expired	(310,000)	0.51
Forfeiture	(370,000)	0.41
Outstanding, December 31, 2022	7,390,000	0.48
Forfeiture	(25,000)	0.26
Expired	(75,000)	0.26
Outstanding, September 30, 2023	7,290,000	0.45

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)**

Information regarding share purchase options outstanding and exercisable at September 30, 2023 is as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining life (years)
December 11, 2023	660,000	660,000	0.48	0.20
April 5, 2024	200,000	200,000	0.56	0.52
October 2, 2024	250,000	250,000	0.77	1.01
December 17, 2025	1,330,000	1,330,000	0.40	2.22
April 13, 2026	500,000	500,000	0.58	2.54
December 24, 2026	1,575,000	1,575,000	0.52	3.24
February 15, 2027	200,000	200,000	0.50	3.38
February 15, 2027	575,000	575,000	0.54	3.38
February 15, 2027	250,000	250,000	0.67	3.38
February 15, 2027	25,000	25,000	0.32	3.38
October 14, 2027	1,725,000	1,275,000	0.19	4.04
	7,290,000	6,840,000	\$ 0.45	2.79

No options were granted for the nine months ended September 30, 2023. The fair value of the options granted for nine months ended September 30, 2022 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	September 30, 2022
Risk free interest rate	1.96%
Expected volatility	115.02%
Expected life (years)	5
Expected dividends (yield)	0%
Fair value per option	\$ 0.45

Share-based compensation expense related to share purchase options for the three and nine ended September 30, 2023, was \$4,066 and \$110,539 respectively (September 30, 2022: \$220,170; \$963,471) 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
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	(90,366)
Balance, September 30, 2023	\$ 36,034

LIBERO COPPER & GOLD CORPORATION**Notes to unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***10. FLOW-THROUGH SHARE PREMIUM LIABILITY (CONTINUED)**

On August 5, 2022, the Company closed a flow-through private placement. This consisted of 10,867,670 flow-through common shares at a price of \$0.33 per share, for aggregate gross proceeds of \$3,586,331. As at September 30, 2023, the Company incurred a total of \$684,338 (September 30, 2022: 2,283,124) 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 \$90,366 (September 30, 2022: 317,484) in the Company's condensed interim consolidated financial statements.

11. RELATED PARTY TRANSACTIONS

Key management, directors, and officers received the following salaries and benefits during the nine months ended September 30, 2023 and 2022:

For the nine months ended	September 30, 2023		September 30, 2022	
Share-based compensation	\$	77,809	\$	416,530
Employee salaries and benefits		393,845		359,852
	\$	471,654	\$	776,382

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 nine months ended September 30, 2023 and 2022:

For the nine months ended	September 30, 2023		September 30, 2022	
Accounting and legal costs recharged from Slater Corporate Services ("SCSC"), a company controlled by director Ian Slater	\$	270,000	\$	240,000
Legal fees to Farris, LLP in which director Jay Sujir is a partner		86,371		54,136
Loan from Slater Capital ("SCC"), a company controlled by director Ian Slater		374,734		-

As at	September 30, 2023		September 30, 2022	
Amounts owed to:				
SCSC, a company controlled by director Ian Slater	\$	2,330	\$	2,615
SCC, a company controlled by director Ian Slater		374,734		-
Farris LLP in which a director, Jay Sujir, is a partner		63,662		28,809
Ian Harris, CEO		9,917		-
Matt Wunder, Vice President Exploration		41,667		-
Ian Slater, Chairman		35,000		-

The amounts owed to companies controlled by directors and officers of the Company are trade payable and a loan payable to SCC incurred in normal course and due on demand. The C\$364,618 principal amount of the loans is payable on or before the earlier of (a) December 15, 2023, and (b) completion of an equity financing, together with interest accruing on the outstanding principal amount at a rate of 10% per annum, compounded monthly.

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 September 30, 2023		Canada	Argentina	Colombia	Total
Total assets	\$	721,851	1,317,600	1,588,418	3,627,869
Total liabilities		1,088,573	13,491	887,140	1,989,204
Net loss	\$	2,736,909	224,030	2,456,554	5,417,493

As at September 30, 2022		Canada	Argentina	Colombia	Total
Total assets	\$	3,188,488	687,633	1,928,838	5,804,959
Total liabilities		1,113,246	-	560,371	1,673,617
Net loss	\$	6,786,180	220,570	4,329,671	11,336,421

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 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 ("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). The Company recorded an unrealized loss of nil and \$110,000, respectively for the three and nine months ended September 30, 2023.

14. SUBSEQUENT EVENTS

Subsequent to September 30, 2023, the Company:

- Issued 348,000 common shares under its ATM Program for gross proceeds of \$17,400.