

LIBERO COPPER

LIBERO COPPER & GOLD CORPORATION

**Unaudited condensed interim consolidated financial statements
For the three months ended March 31, 2022 and 2021**

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

As at	Notes	March 31, 2022	December 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents		\$ 4,458,720	\$ 3,397,568
Restricted cash		50,000	50,000
Amounts receivable		243,038	362,763
Prepaid expenses		214,730	211,769
		4,966,488	4,022,100
Non-current assets			
Property, plant and equipment	3	852,816	395,058
Mineral properties	4	2,060,164	1,971,564
Investments	5	1,280,000	1,000,000
Other receivables	6	104,081	88,081
		4,297,061	3,454,703
Total assets		\$ 9,263,549	\$ 7,476,803
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 987,348	\$ 709,466
Current portion of lease liability	8	171,771	82,173
		1,159,119	791,639
Non-current liabilities			
Lease liability	8	308,457	111,463
		308,457	111,463
Total liabilities		1,467,576	903,102
SHAREHOLDERS' EQUITY			
Share capital	9	28,334,544	25,527,872
Contributed surplus		7,465,449	6,319,734
Accumulated other comprehensive income		6,084	5,696
Deficit		(28,010,104)	(25,279,601)
Total shareholders' equity		7,795,973	6,573,701
Total liabilities and shareholders' equity		\$ 9,263,549	\$ 7,476,803
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)*

For the three months ended	Notes	March 31, 2022	March 31, 2021
EXPENSES			
Exploration	4	\$ 1,885,041	\$ 204,699
Share-based compensation	9(c)	435,313	236,069
Investor relations		213,647	204,741
General and administration		170,747	88,506
Professional fees		106,374	38,485
Salaries and benefits		111,019	89,849
Depreciation	3	51,371	23,550
Project evaluations		-	10,121
Total expenses		2,973,512	896,020
OTHER (INCOME) EXPENSES			
Gain on investments	5	(280,000)	-
Gain on sale of subsidiary		-	(609,697)
Foreign exchange loss (gain)		19,921	(11,670)
Interest and other expense		17,070	4,825
Loss before income taxes		2,730,503	279,478
Deferred income tax recovery		-	(8,743)
Net loss for the period		2,730,503	270,735
Other comprehensive income			
Foreign currency translation difference for foreign operations		(388)	-
Total comprehensive loss for the period		\$ 2,730,115	\$ 270,735
Basic and diluted loss per share		\$ 0.04	\$ 0.01
Weighted average number of common shares outstanding		61,499,369	35,464,882

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, 2020		29,683,683	\$ 13,633,487	\$ 3,655,856	\$ -	(15,140,410)	\$ 2,148,933
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)	-	-	236,069	-	-	236,069
Share purchase options exercised	9(c)	255,000	209,389	(94,889)	-	-	114,500
Expiry of warrants	9(b)	-	20,023	(20,023)	-	-	-
Warrants exercised	9(b)	100,000	60,012	(10,012)	-	-	50,000
Net loss for the period		-	-	-	-	(270,735)	(270,735)
Balance March 31, 2021		43,462,813	18,723,023	5,276,160	-	(15,411,145)	8,588,038
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)	7,000,000	2,789,598	710,402	-	-	3,500,000
Share issue costs		-	(21,526)	-	-	-	(21,526)
Shares issued for mineral property acquisition, net of share issue costs	9(a)	80,000	38,600	-	-	-	38,600
Share-based compensation	9(c)	-	-	435,313	-	-	435,313
Foreign exchange translation		-	-	-	388	-	388
Net loss for the period		-	-	-	-	(2,730,503)	(2,730,503)
Balance, March 31, 2022		63,527,813	28,334,544	7,465,449	6,084	(28,010,104)	7,795,973

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 three months ended	Notes	March 31, 2022	March 31, 2021
OPERATING ACTIVITIES			
Net loss for the period		\$ (2,730,503)	\$ (270,735)
<i>Adjustments for items not involving cash:</i>			
Share-based compensation	9(c)	435,313	236,069
Depreciation	3	51,371	23,550
Interest expense, net		17,070	4,825
Other receivables		(16,000)	-
Foreign exchange loss (gain)		19,636	(11,916)
Gain on investments		(280,000)	-
Gain on sale of subsidiary		-	(609,697)
Deferred income tax recovery		-	(8,743)
		(2,503,113)	(636,647)
<i>Net changes in non-cash working capital items:</i>			
Amounts receivable		119,727	27,023
Prepaid expenses		(2,961)	(239,205)
Accounts payable and accrued liabilities		256,440	(10,642)
Net cash outflows from operating activities		(2,129,907)	(859,471)
FINANCING ACTIVITIES			
Issuance of units, shares and warrants,	9(a),(b)	3,500,000	7,000,000
Share issue costs		(21,526)	(355,368)
Proceeds from exercise of warrants and			
share purchase options	9(b),(c)	-	164,500
Cash principal and interest payments of lease liability	8	(45,587)	(26,135)
Net cash inflows from financing activities		3,432,887	6,782,997
INVESTING ACTIVITIES			
Purchase of property, plant, and equipment	3	(192,336)	-
Acquisition of a subsidiary, net of cash acquired	4	-	(58,898)
Acquisition of mineral properties	4	(50,000)	(49,261)
Reclamation bond	6	-	(16,000)
Net cash outflows from investing activities		(242,336)	(124,159)
Net foreign exchange differences		508	246
Net increase in cash and cash equivalents		1,061,152	5,799,613
Cash and cash equivalents, beginning of the period		3,397,568	891,798
Cash and cash equivalents, end of the period		\$ 4,458,720	\$ 6,691,411

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

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.

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 months ended March 31, 2021 were authorized for issue by the Board of Directors on May 27, 2022.

LIBERO COPPER & GOLD CORPORATION
Notes to unaudited condensed interim consolidated financial statements
(expressed in Canadian dollars, unless otherwise stated)
3. PROPERTY, PLANT AND EQUIPMENT

	Leases (note 8)	Leasehold improvements	Office equipment	Machinery and equipment	Computer hardware	Total
Cost						
Balance, January 1, 2021	\$ 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)
Balance, December 31, 2021	\$ 407,328	\$ 25,826	\$ 10,622	\$ 175,321	\$ 15,333	\$ 634,430
Additions	316,793	-	7,148	142,057	43,131	509,129
Disposals	-	-	-	-	-	-
Balance, March 31, 2022	724,121	25,826	17,770	317,378	58,464	1,143,559
Accumulated depreciation						
Balance, January 1, 2021	\$ (131,871)	\$ (7,892)	\$ (1,384)	\$ -	\$ -	\$ (141,147)
Depreciation	(87,794)	(4,374)	(868)	(4,419)	(770)	(98,225)
Balance, December 31, 2021	\$ (219,665)	\$ (12,266)	\$ (2,252)	\$ (4,419)	\$ (770)	\$ (239,372)
Depreciation	(41,158)	(1,135)	(536)	(6,988)	(1,554)	(51,371)
Balance, March 31, 2022	(260,823)	(13,401)	(2,788)	(11,407)	(2,324)	(290,743)
Net book value, March 31, 2022	\$ 463,298	\$ 12,425	\$ 14,982	\$ 305,971	\$ 56,140	\$ 852,816
Net book value, December 31, 2021	\$ 187,663	\$ 13,560	\$ 8,370	\$ 170,902	\$ 14,563	\$ 395,058
Net book value, January 1, 2021	\$ 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 three months ended March 31, 2022, as follows:

	Mocoa	Tomichi	Big Red	Big Bulk	Esperanza	Total
Balance, December 31, 2020	\$ 931,107	\$ 384,961	\$ 128,080	\$ -	\$ -	\$ 1,444,148
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
Balance, December 31, 2021	\$ 970,388	-	\$ 196,580	\$ 177,916	\$ 626,680	\$ 1,971,564
Acquisition	-	-	88,400	-	-	88,400
Effect of foreign exchange translation	-	-	-	-	200	200
Balance, March 31, 2022	\$ 970,388	-	\$ 284,980	\$ 177,916	\$ 626,880	2,060,164

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 has 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
Total consideration	\$	102,916

The purchase consideration has been allocated as follows:

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

On May 31, 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 months ended March 31, 2022, and 2021:

For the three months ended March 31, 2022	Mocoa	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	928,973	102,303	1,925	87,420	1,120,621
Drilling	270,365	-	-	-	270,365
Field and camp	202,431	-	-	-	202,431
Geochemical and mapping	107,456	7,469	-	-	114,925
Environmental, social and governance	99,709	-	-	-	99,709
Legal and office administration	71,341	-	-	-	71,341
License and permits	21,299	738	(16,000)	-	6,037
	1,701,574	110,510	(14,075)	87,420	1,885,429
Foreign exchange translation	-	-	-	(388)	(388)
Total exploration expenses	1,701,574	110,510	(14,075)	87,032	1,885,041

For the three months ended March 31, 2021	Mocoa	Tomichi	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	\$ 87,293	\$ -	\$ 64,890	\$ 3,841	\$ 31,608	\$ 187,632
License and permits	7,234	392	2,263	-	-	9,889
Field and camp	7,147	31	-	-	-	7,178
Total exploration expenses	\$ 101,674	\$ 423	\$ 67,153	\$ 3,841	\$ 31,608	\$ 204,699

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. At the time of this transaction Zacapa was a Canadian private company. On January 26, 2022 Zacapa completed an initial public offering and is listed on the TSX Venture Exchange (TSX-V "ZACA").

Balance, December 31, 2021	\$ 1,000,000
Fair value adjustment (Zacapa closing price of \$0.64 per share at March 31, 2022)	280,000
Balance, March 31, 2022	\$ 1,280,000

The Company measured the Zacapa common shares at fair value using the quoted market price per share traded in the active market which was \$0.64 per share as at March 31, 2022. The fair value was determined to be \$1,280,000, resulting in an unrealized gain of \$280,000 on the statement of profit and loss.

LIBERO COPPER & GOLD CORPORATION**Notes to unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***6. OTHER RECEIVABLES**

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

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	March 31, 2022	December 31, 2021
Trade payables	\$ 857,107	\$ 288,723
Other accrued liabilities	130,241	420,743
Total	\$ 987,348	\$ 709,466

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 March 31, 2021, 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 \$316,793 within property, plant and equipment (note 3). The Company recorded a corresponding net lease liability of \$316,793. The incremental borrowing rate for the lease liability recognized as of March 31, 2022, was 12.5%.

	Lease liability
Balance, December 31, 2020	\$ 266,555
Additions (note 3)	21,663
Disposals (note 3)	(1,111)
Cash principal and interest payments	(104,518)
Interest expense	11,047
Balance, December 31, 2021	\$ 193,636
Additions (note 3)	316,793
Cash principal and interest payments	(45,587)
Interest expense	15,386
Balance, March 31, 2022	\$ 480,228
Current portion of lease liability	171,771
Long-term portion of lease liability	\$ 308,457

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

9. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

On January 7, 2022, the Company issued 80,000 common shares at a 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 is \$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

As at March 31, 2022, the Company had 63,527,813 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

Information regarding warrants outstanding at March 31, 2022 is as follows:

	Warrants outstanding		Weighted average exercise price
Outstanding, December 31, 2020	14,584,416	\$	0.74
Issued	11,582,265		0.75
Exercised	(3,190,000)		0.74
Expired	(3,430,000)		0.71
Outstanding, December 31, 2021	19,546,681	\$	0.75
Issued	3,500,000		0.75
Expired	(900,000)		0.75
Outstanding, March 31, 2022	22,146,681	\$	\$0.75

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 March 31, 2022, the Company had 22,146,681 warrants outstanding, with an average exercise price of \$0.75 and a weighted average remaining life of 0.97 years:

Expiry date	Warrants outstanding	Weighted average exercise price	Weighted average remaining life (years)
May 13, 2022	7,064,416	0.75	0.12
February 22, 2023	6,682,065	0.75	0.90
December 1, 2023	2,000,000	0.75	1.67
December 1, 2023	100,200	0.50	1.67
December 22, 2023	2,800,000	0.75	1.73
January 24, 2024	3,500,000	0.75	1.82
	22,146,681	\$ 0.75	0.97

The Company has calculated and recorded to contributed surplus the fair value of 3,500,000 (March 31, 2021: 6,682,065) warrants issued of \$710,402 (March 31, 2021: \$1,509,159) based on the relative fair value model with the following weighted average variables:

	March 31, 2022	March 31, 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%
Fair value per warrant	\$ 0.25	\$ 0.30

b) Share Purchase Options

During the three months ended March 31, 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 March 31, 2022 is as follows:

	Options outstanding	Weighted average exercise price
Outstanding, December 31, 2020	2,995,000	\$ 0.45
Granted	3,065,000	0.53
Exercised	(550,000)	0.41
Expired	(355,000)	0.63
Forfeiture	(60,000)	0.43
Outstanding, December 31, 2021	5,095,000	\$ 0.50
Granted	1,075,000	0.56
Expired	(15,000)	0.50
Forfeiture	(5,000)	0.50
Outstanding, March 31, 2022	6,150,000	\$ 0.51

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 March 31, 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	0.71
December 11, 2023	680,000	680,000	0.48	1.70
April 5, 2024	200,000	50,000	0.50	2.02
October 2, 2024	250,000	250,000	0.77	2.51
December 17, 2025	1,360,000	1,360,000	0.40	3.72
April 13, 2026	750,000	750,000	0.56	4.04
December 24, 2026	1,775,000	887,500	0.52	4.74
February 15, 2027	1,075,000	156,250	0.56	4.88
	6,150,000	4,193,750	\$ 0.51	3.90

During the first three months ended March 31, 2022, 1,075,000 (March 31, 2021: 300,000) share purchase options were granted with a weighted average exercise price of \$0.56 (March 31, 2021: \$0.55). The fair value of the options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	March 31, 2022	March 31, 2021
Risk free interest rate	1.95%	0.42%
Expected volatility	115.01%	126.09%
Expected life (years)	5	5
Expected dividends (yield)	0%	0%
Fair value per option	\$ 0.45	\$ 0.42

Share-based compensation expense related to share purchase options for the three months ended March 31, 2022, was \$435,313 (March 31, 2021: \$236,069) and has been recorded in the consolidated statements of comprehensive loss.

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**

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, 2020	\$ 132,436
Liability incurred on flow-through shares issued	363,636
Settlement of flow-through share premium liability upon incurring qualifying expenses	(496,072)
Balance, December 31, 2021	\$ -
Liability incurred on flow-through shares issued	-
Settlement of flow-through share premium liability upon incurring qualifying expenses	-
Balance, March 31, 2022	\$ -

No flow-through expenditures incurred during the three months ended March 31, 2022 (March 31, 2021: \$70,994).

11. RELATED PARTY TRANSACTIONS

Key management, directors, and officers received the following salaries and benefits during the three months ended March 31, 2022 and 2021:

For the three months ended	March 31, 2022		March 31, 2021	
Employee salaries and benefits	\$	111,019	\$	193,253
Share-based compensation		280,721		88,608
	\$	391,740	\$	281,861

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 three months ended March 31, 2022 and 2021:

For the three months ended	March 31, 2022		March 31, 2021	
Purchases:				
Accounting and legal costs recharged from a company controlled by director Ian Slater	\$	60,000	\$	45,000
Legal fees to Farris, LLP in which director Jay Sujir is a partner	\$	24,184	\$	25,792
Geological consulting fees to Serac Exploration Ltd. a company with two common directors, Ian Slater, and Bradley Rourke.	\$	92,240	\$	-
As at				
Amounts owed to:				
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.	\$	37,737	\$	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 March 31, 2022		Canada	Argentina	Colombia	Total
Total assets	\$	7,090,484	626,881	1,546,184	9,263,549
Total liabilities		433,454	16,760	1,017,362	1,467,576
Net loss	\$	1,019,318	60,566	1,650,619	2,730,503

As at March 31, 2021		Canada	USA	Argentina	Colombia	Total
Total assets	\$	8,588,104	-	9,036	943,977	9,541,117
Total liabilities		830,577	-	-	122,502	953,079
Net loss	\$	153,762	466	16,324	100,183	270,735

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

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. At the time of this transaction Zacapa was a Canadian private company. On January 26, 2022 Zacapa completed an initial public offering and is listed on the TSX Venture Exchange (TSX-V "ZACA"). The shares 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 gain of \$280,000 at March 31, 2022.

14. SUBSEQUENT EVENTS

Share purchase options

Subsequent to March 31, 2022, 150,000 share purchase options were exercised at an average exercise price of \$0.47 per option, for total proceeds of \$70,000.

Warrants

Subsequent to March 31, 2022, 639,620 share purchase warrants were exercised at an exercise price of \$0.75 per warrant for total proceeds of \$479,715. On May 13, 2022, 6,924,416 share purchase warrants expired unexercised.