

LIBERO COPPER

LIBERO COPPER & GOLD CORPORATION

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

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

As at	Notes	March 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents		\$ 6,691,411	\$ 891,798
Amounts receivable		37,660	64,672
Prepaid expenses		277,681	49,544
		7,006,752	1,006,014
Non-current assets			
Property, plant and equipment	3	249,737	273,287
Mineral properties	4	1,196,547	1,444,148
Investment	5	1,000,000	-
Other receivables	6	88,081	72,081
		2,534,365	1,789,516
Total assets		\$ 9,541,117	\$ 2,795,530
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 225,658	\$ 247,606
Flow-through share premium liability	10	487,329	132,436
Current portion of lease liability	8	65,793	72,940
		778,780	452,982
Non-current liabilities			
Lease liability	8	174,299	193,615
		174,299	193,615
Total liabilities		953,079	646,597
SHAREHOLDERS' EQUITY			
Share capital	9	18,723,023	13,633,487
Contributed surplus		5,276,160	3,655,856
Deficit		(15,411,145)	(15,140,410)
Total shareholders' equity		8,588,038	2,148,933
Total liabilities and shareholders' equity		\$ 9,541,117	\$ 2,795,530

On behalf of the Board of Directors:

(signed) "Jay Sujir"
Director

(signed) "Ian Slater"
Director

The accompanying notes are an integral part of these unaudited condensed interim 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, 2021		March 31, 2020	
EXPENSES					
Share-based compensation	9(c)	\$	236,069	\$	62,986
Investor relations			204,741		340,869
Exploration	4		204,699		222,291
Salaries and benefits			89,849		70,030
General and administration			88,506		129,451
Professional fees			38,485		7,545
Depreciation	3		23,550		16,876
Project evaluations			10,121		8,814
			896,020		858,862
OTHER (INCOME) EXPENSES					
Gain on sale of subsidiary	5		(609,697)		-
Foreign exchange (gain) loss			(11,670)		12,389
Interest and other expense, net			4,825		4,100
Loss before income taxes			279,478		875,351
Deferred income tax recovery	10		(8,743)		-
Net loss and total comprehensive loss for the period		\$	270,735	\$	875,351
Basic and diluted loss per share		\$	0.01	\$	0.05
Weighted average number of common shares outstanding			35,464,882		18,877,114

The accompanying notes are an integral part of these unaudited condensed interim 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	Deficit	Total
Balance, December 31, 2019		18,652,277	\$ 9,406,458	\$ 2,008,078	\$ (9,650,789)	\$ 1,763,747
Private placement, net of share issue costs	9(a),(b)	900,000	331,407	114,163	-	445,570
Shares issued for mineral property acquisition, net of share issue costs	9(a)	40,000	19,800	-	-	19,800
Share-based compensation	9(c)	-	-	62,986	-	62,986
Total comprehensive loss		-	-	-	(875,351)	(875,351)
Balance, March 31, 2020		19,592,277	\$ 9,757,665	\$ 2,185,227	\$ (10,526,140)	\$ 1,416,752
Balance, December 31, 2020		29,683,683	\$ 13,633,487	\$ 3,655,856	\$ (15,140,410)	\$ 2,148,933
Private placement, net of share issue costs	9(a),(b)	13,364,130	5,135,473	1,509,159	-	6,644,632
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
Warrants exercised	9(b)	100,000	60,012	(10,012)	-	50,000
Expiry of warrants	9(b)	-	20,023	(20,023)	-	-
Share purchase options exercised	9(c)	255,000	209,389	(94,889)	-	114,500
Share-based compensation	9(c)	-	-	236,069	-	236,069
Total comprehensive loss		-	-	-	(270,735)	(270,735)
Balance, March 31, 2021		43,462,813	\$ 18,723,023	\$ 5,276,160	\$ (15,411,145)	\$ 8,588,038

The accompanying notes are an integral part of these unaudited condensed interim 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, 2021	March 31, 2020
OPERATING ACTIVITIES			
Net loss for the period		\$ (270,735)	\$ (875,351)
<i>Adjustments for items not involving cash:</i>			
Share-based compensation	9(c)	236,069	62,986
Depreciation	3	23,550	16,876
Interest expense, net		4,825	4,100
Gain on sale of subsidiary	5	(609,697)	-
Foreign exchange (gain) loss		(11,916)	12,389
Deferred income tax recovery	10	(8,743)	-
		(636,647)	(779,000)
<i>Net changes in non-cash working capital items:</i>			
Amounts receivable		27,023	86,786
Prepaid expenses		(239,205)	(193,974)
Accounts payable and accrued liabilities		(10,642)	124,360
Net cash outflows from operating activities		(859,471)	(761,828)
FINANCING ACTIVITIES			
Issuance of units, shares and warrants	9(a),(b)	7,000,000	450,000
Share issue costs	9(a)	(355,368)	(4,430)
Proceeds from exercise of warrants and share purchase options	9(b),(c)	164,500	-
Loan from related parties	11	-	152,468
Principal and interest payments of lease liability	8	(26,135)	(18,067)
Net cash inflows from financing activities		6,782,997	579,971
INVESTING ACTIVITIES			
Acquisition of a subsidiary, net of cash acquired	4	(58,898)	-
Acquisition of mineral properties		(49,261)	(30,200)
Reclamation bond	6	(16,000)	-
Net cash outflows from investing activities		(124,159)	(30,200)
Net foreign exchange differences		246	-
Net increase (decrease) in cash and cash equivalents		5,799,613	(212,057)
Cash and cash equivalents, beginning of the period		891,798	302,304
Cash and cash equivalents, end of the period		\$ 6,691,411	\$ 90,247

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

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

1. CORPORATE INFORMATION AND CONTINUANCE 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 incurred a net loss during the three months ended March 31, 2021 of \$270,735 and has an accumulated deficit at March 31, 2021 of \$15,411,145. As at March 31, 2021, the Company had cash and cash equivalents of \$6,691,411 and a working capital of \$6,227,972.

The Company’s operations to date have been financed by issuing common shares.

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, 2020, which have been prepared in accordance with IFRS.

The unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, 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 28, 2021.

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

	Office lease (note 8)	Leasehold improvements	Office equipment	Total
Cost				
Balance, January 1, 2020	\$ 313,605	\$ 20,378	\$ 6,617	\$ 340,600
Additions	73,171	-	663	73,834
Balance, December 31, 2020 and March 31, 2021	\$ 386,776	\$ 20,378	\$ 7,280	\$ 414,434
Accumulated depreciation				
Balance, January 1, 2020	\$ (52,267)	\$ (3,937)	\$ (550)	\$ (56,754)
Depreciation	(79,604)	(3,955)	(834)	(84,393)
Balance, December 31, 2020	\$ (131,871)	\$ (7,892)	\$ (1,384)	\$ (141,147)
Depreciation	(22,381)	(973)	(196)	(23,550)
Balance, March 31, 2021	\$ (154,252)	\$ (8,865)	\$ (1,580)	\$ (164,697)
Net book value, March 31, 2021	\$ 232,524	\$ 11,513	\$ 5,700	\$ 249,737
Net book value, December 31, 2020	\$ 254,905	\$ 12,486	\$ 5,896	\$ 273,287
Net book value, January 1, 2020	\$ 261,338	\$ 16,441	\$ 6,067	\$ 283,846

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. Mineral properties balances changed during the three months ended March 31, 2021, as follows:

	Mocoa	Tomichi	Big Red	Big Bulk	Esperanza	Total
Balance, December 31, 2019	\$ 931,107	\$ 329,683	\$ 78,080	\$ -	\$ -	\$ 1,338,870
Acquisition	-	55,278	50,000	-	-	105,278
Balance, December 31, 2020	\$ 931,107	\$ 384,961	\$ 128,080	\$ -	\$ -	\$ 1,444,148
Acquisition	-	-	68,500	59,823	9,037	137,360
Sale of subsidiary	-	(384,961)	-	-	-	(384,961)
Balance, March 31, 2021	\$ 931,107	\$ -	\$ 196,580	\$ 59,823	\$ 9,037	\$ 1,196,547

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").

Tomichi Porphyry Copper-Molybdenum Deposit

In December 2016, the Company entered into an option agreement to purchase the Tomichi porphyry copper-molybdenum deposit ("Tomichi") in Colorado which was amended on July 27, 2020. The Company incurred a total of \$384,961 of acquisition costs to December 31, 2020. In January 2021, the Company closed a transaction with Zacapa Resources Ltd. ("Zacapa", a Canadian private company, and a related party with two 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. Libero currently owns 6.5% of Zacapa (note 5).

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 Property

In February 2019, the Company closed an option agreement to acquire 100% of the Big Red porphyry copper property in the Golden Triangle in British Columbia, Canada ("Big Red"), and incurred a total of \$196,580 of acquisition costs as at March 31, 2021 (December 31, 2020: \$128,080). 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; 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.

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

The Company, through its 100% owned subsidiary Big Bulk Resources Corporation, 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 make the following cash payments of \$625,000 and incur \$750,000 of exploration expenditures over five years in order to maintain its rights under the option agreement as follows:

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

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

4. MINERAL PROPERTIES (CONTINUED)

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 \$9,037 of acquisition costs as at March 31, 2021. 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 June 14, 2021 (*paid*);
- US \$250,000 on December 15, 2021;
- US \$200,000 30 days after a drill permit is issued;
- 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.

Drilling 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.

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, 2021 and 2020:

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

For the three months ended March 31, 2020	Mocoa	Tomichi	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	\$ 94,566	\$ -	\$ 42,156	\$ -	\$ -	\$ 136,722
License and permits	17,332	2,780	43,000	-	-	63,112
Field and camp	11,802	6,155	4,500	-	-	22,457
Total exploration expenses	\$ 123,700	\$ 8,935	\$ 89,656	\$ -	\$ -	\$ 222,291

5. INVESTMENT

In January 2021, the Company closed a transaction with Zacapa Resources Ltd. ("Zacapa", a Canadian private company, and a related party with two 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. Libero currently owns 6.5% of Zacapa (note 4).

The Company measured the Zacapa common shares at fair value at initial recognition which was determined to be \$1,000,000. The Company recorded a gain of \$609,697 in the consolidated statements of loss and comprehensive loss.

Balance, December 31, 2020	\$ -
Fair value of 2,000,000 Zacapa shares issued to Libero at a price of \$0.50 per share	1,000,000
Balance, March 31, 2021	\$ 1,000,000

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, 2021	December 31, 2020
Reclamation bond – Big Red	\$ 60,000	\$ 44,000
Security deposit – Office Lease	28,081	28,081
Total	\$ 88,081	\$ 72,081

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	March 31, 2021	December 31, 2020
Trade payables	\$ 61,104	\$ 107,938
Other accrued liabilities	164,554	139,668
Total	\$ 225,658	\$ 247,606

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, 2020, the Company's 100% owned subsidiary entered into a number of leases relating to an office in Bogota and core warehouses in Mocoa and recorded a right-of-use asset of \$73,171 within property, plant and equipment (note 3) and a corresponding lease liability of \$73,171. The incremental borrowing rate for the lease liability recognized as of December 31, 2020 was 12.5%.

	Lease liability
Balance, March 1, 2019	\$ 313,605
Cash principal and interest payments	(59,611)
Non-cash interest expense	15,933
Balance, December 31, 2019	\$ 269,927
Additions (note 3)	73,171
Cash principal and interest payments	(91,410)
Non-cash interest expense	14,867
Balance, December 31, 2020	\$ 266,555
Cash principal and interest payments	(26,135)
Non-cash interest expense	4,834
Foreign exchange difference	(5,162)
Balance, March 31, 2021	240,092
	Current portion of lease liability
	65,793
Long-term portion of lease liability	\$ 174,299

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 February 22, 2021, the Company consolidated all of its outstanding common shares on the basis of five pre-consolidation common shares for one post-consolidation common share resulting in an issued capital of 29,683,683 common shares.

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

On January 6, 2021, the Company issued 60,000 common shares at an estimated fair value of \$28,500 (\$28,275 net of share issue costs) in accordance with the Big Red option agreement (note 4).

On February 22, 2021, the Company closed a non-brokered private placement consisting of: (i) 6,000,000 units at a price of \$0.50 per unit (the "NFT Unit Offering") and (ii) 7,272,726 units at a price of \$0.55 per unit (the "FT Unit Offering") for aggregate gross proceeds of \$7,000,000 (\$6,644,632 net of share issue costs). A finder's fee of 6% on a portion of the financing was paid partly in cash and partly by issuing 91,404 NFT units at a price of \$0.50 per unit. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share (the "Warrant Share") at a price of \$0.75 per warrant share until February 22, 2023.

If the closing price of the common shares is at a price equal to or greater than \$1 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the warrants by giving notice, via a news release, to the holders of the warrants that the warrants will expire on the date that is 30 days after the issuance of said news release.

Common shares issued under the FT Unit Offering qualify as flow-through shares. The gross proceeds from the FT Unit Offering will be used to incur 'Canadian exploration expenses' that will qualify as 'flow-through mining expenditures' as those terms are defined in the Income Tax Act which will be renounced to the initial purchasers of the flow-through shares (note 10).

As at March 31, 2021, the Company had 43,462,813 common shares issued and outstanding.

b) Warrants

All warrant information presented in these unaudited condensed interim consolidated financial statements has been adjusted retroactively to reflect a share consolidation on the basis of five pre-consolidation common shares for one post-consolidation common share.

On February 22, 2021, 6,682,065 share purchase warrants were issued as part of the private placement of units. Each warrant entitles the holder to acquire one common share at a price of \$0.75 per warrant share until February 22, 2023.

During the three months ended March 31, 2021, 100,000 warrants were exercised at an exercise price of \$0.50 per warrant for total proceeds of \$50,000.

On March 1, 2021, 200,000 warrants 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 March 31, 2021 is as follows:

	Warrants outstanding		Weighted average exercise price
Outstanding, December 31, 2019	6,850,000	\$	0.70
Issued	8,004,416		0.75
Exercised	(270,000)		0.56
Outstanding, December 31, 2020	14,584,416	\$	0.74
Issued	6,682,065		0.75
Exercised	(100,000)		0.50
Expired	(200,000)		0.50
Outstanding, March 31, 2021	20,966,481	\$	0.75

As at March 31, 2021, the Company had 20,966,481 warrants outstanding, with weighted average exercise price of \$0.75 and a remaining life of 1.08 years:

Expiry date	Warrants outstanding	Weighted average exercise price	Weighted average remaining life (years)
April 8, 2021	340,000	0.50	0.02
June 7, 2021	5,940,000	0.75	0.19
March 12, 2022	900,000	0.75	0.95
May 13, 2022	7,104,416	0.75	1.12
February 22, 2023	6,682,065	0.75	1.90
	20,966,481	\$	0.75
			1.08

In connection with the February 2021 private placement, the Company has calculated and recorded to contributed surplus the fair value of 6,682,065 (March 31, 2020: 900,000) warrants issued of \$1,509,159 (March 31, 2020: \$114,163) based on the relative fair value approach with the following weighted average variables:

	March 31, 2021	March 31, 2020
Risk free interest rate	0.23%	0.47%
Expected volatility	131.91%	120.83%
Expected life (years)	2	2
Expected dividends (yield)	0%	0%
Fair value per warrant	\$ 0.30	\$ 0.05

c) Share Purchase Options

All option information presented in these unaudited condensed interim consolidated financial statements has been adjusted retroactively to reflect a share consolidation on the basis of five pre-consolidation common shares for one post-consolidation common share.

On January 25, 2021, the Company granted 300,000 incentive stock options to new directors and officers pursuant to the Company's stock option plan. The share purchase options are exercisable at a price of \$0.55 and will expire on December 17, 2025.

During the three months ended March 31, 2021, 255,000 share purchase options were exercised at weighted average exercise price of \$0.45 per option for total proceeds of \$114,500.

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 at March 31, 2021 is as follows:

	Options outstanding		Weighted average exercise price
Outstanding, December 31, 2019	1,730,000	\$	0.52
Granted	1,390,000		0.38
Exercised	(95,000)		0.42
Expired	(30,000)		0.75
Outstanding, December 31, 2020	2,995,000	\$	0.45
Granted	300,000		0.55
Exercised	(255,000)		0.45
Expired	(220,000)		0.57
Forfeiture	(30,000)		0.35
Outstanding, March 31, 2021	2,790,000	\$	0.46

Information regarding share purchase options outstanding and exercisable at March 31, 2021 is as follows:

Expiry date	Options outstanding	Options exercisable	Weighted average exercise price	Weighted average remaining life (years)
May 19, 2021	40,000	40,000	\$ 0.50	0.13
December 15, 2022	85,000	85,000	0.50	1.71
December 11, 2023	735,000	735,000	0.47	2.70
October 2, 2024	360,000	340,000	0.77	3.51
December 17, 2025	1,570,000	710,000	0.39	4.72
	2,790,000	1,910,000	\$ 0.46	3.87

The fair value of 300,000 share purchase options granted with an exercise price of \$0.55 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	January 25, 2021
Risk free interest rate	0.42%
Expected volatility	126.09%
Expected life (years)	5
Expected dividends (yield)	0%
Fair value per option	\$ 0.42

No options were granted during the three months ended March 31, 2020.

Share-based compensation expense related to share purchase options for the three months ended March 31, 2021, was \$236,069 (March 31, 2020: \$62,986), and has been recorded in the consolidated statements of loss and 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, 2019	\$	-
Liability incurred on flow-through shares issued		794,549
Settlement of flow-through share premium liability upon incurring qualifying expenses		(662,113)
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		(8,743)
Balance, March 31, 2021	\$	487,329

During the three months ended March 31, 2021, the Company incurred \$70,994 of flow-through expenditures on Big Red and Big Bulk (note 4). The Company derecognized the associated flow-through share premium liability and recognized a deferred income tax recovery of \$8,743 in the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021.

No flow-through expenditures incurred during the three months ended March 31, 2020.

11. RELATED PARTY TRANSACTIONS

Key management, directors, and officers received the following salaries and benefits during the three months ended March 31, 2021 and 2020:

For the three months ended	March 31, 2021		March 31, 2020	
Share-based compensation	\$	193,253	\$	42,432
Employee salaries and benefits		88,608		91,919
	\$	281,861	\$	134,351

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, 2021 and 2020:

For the three months ended	March 31, 2021		March 31, 2020	
Purchases:				
Costs recharged from a company controlled by director Ian Slater	\$	45,000	\$	100,000
Legal fees to Farris, Vaughan, Wills & Murphy LLP in which director Jay Sujir is a partner	\$	25,792	\$	-
As at				
Amounts owed to:				
Farris, Vaughan, Wills & Murphy LLP in which director Jay Sujir is a partner	\$	1,716	\$	2,243

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

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

11. RELATED PARTY TRANSACTIONS (CONTINUED)

In January 2021, the Company closed a transaction with Zacapa Resources Ltd. ("Zacapa", a Canadian private company, and a related party with two common directors Ian Slater and Jay Sujir) 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. Libero currently owns 6.5% of Zacapa (note 5).

During the three months ended March 31, 2020, the Company borrowed by way of interest free promissory notes the amount of \$152,468 from a company controlled by director Ian Slater. In May 2020, the Company repaid all the outstanding notes payable.

12. FINANCIAL INSTRUMENTS

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 fair value hierarchy establishes three levels to classify the inputs of valuation techniques used to measure fair value. As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 3 financial instruments are those fair valued based on inputs that are unobservable (supported by little or no market activity). The Company's investment in Zacapa common shares is classified as a level 3 financial instrument. The fair value of Zacapa common shares at initial recognition and subsequent measurement was based on the most recent market activity of Zacapa (note 5).

13. SUBSEQUENT EVENTS

Stock option grant

On April 13, 2021, the Company granted 570,000 incentive stock options to new employees and consultants pursuant to the Company's stock option plan. The stock options are exercisable at a price of \$0.58 and will expire on April 13, 2026.