



LIBERO COPPER & GOLD CORPORATION

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

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

As at	Notes	June 30, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents		\$ 6,506,040	\$ 891,798
Amounts receivable		39,414	64,672
Prepaid expenses	3	1,641,872	49,544
		8,187,326	1,006,014
Non-current assets			
Property, plant and equipment	4	230,134	273,287
Mineral properties	5	1,463,383	1,444,148
Investment	6	1,000,000	-
Other assets	7	104,081	72,081
		2,797,598	1,789,516
Total assets		\$ 10,984,924	\$ 2,795,530
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	\$ 513,359	\$ 247,606
Flow-through share premium liability	11	419,332	132,436
Current portion of lease liability	9	58,961	72,940
		991,652	452,982
Non-current liabilities			
Lease liability	9	159,069	193,615
		159,069	193,615
Total liabilities		1,150,721	646,597
SHAREHOLDERS' EQUITY			
Share capital	10	21,660,257	13,633,487
Contributed surplus		4,997,881	3,655,856
Accumulated other comprehensive income		236	-
Deficit		(16,824,171)	(15,140,410)
Total shareholders' equity		9,834,203	2,148,933
Total liabilities and shareholders' equity		\$ 10,984,924	\$ 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)

	Notes	Three months ended		Six months ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
EXPENSES					
Exploration	5	\$ 841,108	\$ 335,548	\$ 1,045,807	\$ 557,839
Share-based compensation	10(c)	303,955	32,544	540,024	95,530
Investor relations		200,941	270,169	405,682	611,038
General and administration		73,784	30,703	162,290	160,154
Salaries and benefits		64,054	65,190	153,903	135,220
Professional fees		67,850	42,027	106,335	49,572
Depreciation	4	22,892	16,871	46,442	33,747
Projects evaluations		942	4,615	11,063	13,429
		<u>1,575,526</u>	<u>797,667</u>	<u>2,471,546</u>	<u>1,656,529</u>
OTHER (INCOME) EXPENSES					
Gain on sale of subsidiary	6	-	-	(609,697)	-
Gain on marketable securities	13	(96,584)	-	(96,584)	-
Foreign exchange (gain) loss		(2,205)	(759)	(13,875)	11,630
Interest and other expense, net		4,286	3,966	9,111	8,066
		<u>1,481,023</u>	<u>800,874</u>	<u>1,760,501</u>	<u>1,676,225</u>
Deferred income tax recovery	11	(67,997)	(74,272)	(76,740)	(74,272)
Net loss		<u>\$ 1,413,026</u>	<u>\$ 726,602</u>	<u>\$ 1,683,761</u>	<u>\$ 1,601,953</u>
Other comprehensive income					
Foreign currency translation difference for foreign operations		(236)	-	(236)	-
Total comprehensive loss for the period		<u>\$ 1,412,790</u>	<u>\$ 726,602</u>	<u>\$ 1,683,525</u>	<u>\$ 1,601,953</u>
Basic and diluted loss per share		\$ 0.03	\$ 0.03	\$ 0.04	\$ 0.08
Weighted average number of common shares outstanding		44,332,908	22,726,634	39,923,392	20,801,874

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	Accumulated other comprehensive income	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	10(a),(b)	8,004,416	2,778,900	1,430,063	-	-	4,208,963
Flow-through share premium liability	11	-	(544,800)	-	-	-	(544,800)
Shares issued for mineral property acquisition, net of share issue costs	10(a)	40,000	19,800	-	-	-	19,800
Share-based compensation	10(c)	-	-	95,530	-	-	95,530
Total comprehensive loss						(1,601,953)	(1,601,953)
Balance, June 30, 2020		26,696,693	\$ 11,660,358	\$ 3,533,671	\$ -	\$ (11,252,742)	\$ 3,941,287
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	10(a),(b)	13,364,130	5,135,473	1,509,159	-	-	6,644,632
Flow-through share premium liability	11	-	(363,636)	-	-	-	(363,636)
Shares issued for mineral property acquisition, net of share issue costs	10(a)	60,000	28,275	-	-	-	28,275
Warrants exercised	10(b)	3,190,000	2,951,932	(584,432)	-	-	2,367,500
Share purchase options exercised	10(c)	345,000	274,726	(122,726)	-	-	152,000
Share-based compensation	10(c)	-	-	540,024	-	-	540,024
Total comprehensive loss					236	(1,683,761)	(1,683,525)
Balance, June 30, 2021		46,642,813	\$ 21,660,257	\$ 4,997,881	\$ 236	\$ (16,824,171)	\$ 9,834,203

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 six months ended	Notes	June 30, 2021	June 30, 2020
OPERATING ACTIVITIES			
Net loss for the period		\$ (1,683,761)	\$ (1,601,953)
<i>Adjustments for items not involving cash:</i>			
Share-based compensation	10(c)	540,024	95,530
Depreciation	4	46,442	33,747
Interest expense, net		9,111	8,066
Gain on sale of subsidiary	6	(609,697)	-
Deferred income tax recovery	11	(76,740)	(74,272)
Foreign exchange (gain) loss		(12,611)	11,630
		(1,787,232)	(1,527,252)
<i>Net changes in non-cash working capital items:</i>			
Amounts receivable		25,266	80,863
Prepaid expenses		(1,603,396)	(257,596)
Accounts payable and accrued liabilities		277,017	22,382
Net cash outflows from operating activities		(3,088,345)	(1,681,603)
FINANCING ACTIVITIES			
Issuance of units, shares and warrants	10(a),(b)	7,000,000	4,450,300
Share issue costs	10(a)	(355,368)	(241,337)
Proceeds from exercise of warrants and share purchase options	10(b),(c)	2,519,500	-
Principal and interest payments of lease liability	9	(51,464)	(36,500)
Net cash inflows from financing activities		9,112,668	4,172,463
INVESTING ACTIVITIES			
Acquisition of a subsidiary, net of cash acquired	5	(58,898)	-
Purchase of property, plant and equipment		(3,289)	-
Acquisition of mineral properties		(314,867)	(37,315)
Reclamation bond	7	(32,000)	(15,000)
Net cash outflows from investing activities		(409,054)	(52,315)
Net foreign exchange differences		(1,027)	-
Net increase in cash and cash equivalents		5,614,242	2,438,545
Cash and cash equivalents, beginning of the period		891,798	302,304
Cash and cash equivalents, end of the period		\$ 6,506,040	\$ 2,740,849

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’s operations to date have been financed by issuing common shares, exercise of options and warrants.

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 except the following:

Foreign currency translation

Functional and presentation currency

The functional currency of Libero Esperanza Ltd., a company incorporated in the British Virgin Islands, which holds the Esperanza Porphyry Copper-Gold Project in San Juan, Argentina was determined to be the US dollar.

Transactions and balances

For entities whose functional currency is different to the presentation currency are translated into the Company's presentation currency at average exchange rates for the year while their statements of financial position are translated at period end exchange rates. Exchange differences arising from the translation are recorded as a component of other comprehensive income (loss).

The unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2021 were authorized for issue by the Board of Directors on August 27, 2021.

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

As at	June 30, 2021	December 31, 2020
Exploration		
Advance payment - Big Red drilling program	\$ 1,026,307	\$ -
Advance payment - Big Bulk drilling program	129,532	-
Mining claims maintenance fees - Tomichi	-	11,224
Investor relations	474,282	12,058
General and administration	11,751	26,262
Total	\$ 1,641,872	\$ 49,544

4. PROPERTY, PLANT AND EQUIPMENT

	Office lease (note 9)	Leasehold improvements	Office equipment	Computer hardware	Total
Cost					
Balance, January 1, 2020	\$ 313,605	\$ 20,378	\$ 6,617	\$ -	\$ 340,600
Additions	73,171	-	663	-	73,834
Balance, December 31, 2020	\$ 386,776	\$ 20,378	\$ 7,280	\$ -	\$ 414,434
Additions	-	-	-	3,289	3,289
Balance, June 30, 2021	\$ 386,776	\$ 20,378	\$ 7,280	\$ 3,289	\$ 417,723
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	(44,019)	(1,957)	(387)	(79)	(46,442)
Balance, June 30, 2021	\$ (175,890)	\$ (9,849)	\$ (1,771)	\$ (79)	\$ (187,589)
Net book value, June 30, 2021	\$ 210,886	\$ 10,529	\$ 5,509	\$ 3,210	\$ 230,134
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

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

5. 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 six months ended June 30, 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	275,873	404,196
Sale of subsidiary	-	(384,961)	-	-	-	(384,961)
Balance, June 30, 2021	\$ 931,107	\$ -	\$ 196,580	\$ 59,823	\$ 275,873	\$ 1,463,383

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 4.1% of Zacapa. The accounting implications are included in note 6.

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 June 30, 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.

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

5. 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 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.

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 \$275,873 of acquisition costs as at June 30, 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.

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)***5. MINERAL PROPERTIES (CONTINUED)****Exploration**

The following is a summary of the Mocoa, Tomichi, Big Red, Big Bulk and Esperanza exploration expenses for the six months ended June 30, 2021 and 2020:

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

For the six months ended						
June 30, 2020	Mocoa	Tomichi	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	\$ 140,916	\$ -	\$ 24,254	\$ -	\$ -	\$ 165,170
Geochemical and mapping	-	-	171,041	-	-	171,041
Drilling	-	-	88,752	-	-	88,752
Environmental, social and governance	12,338	-	43,000	-	-	55,338
License and permits	27,938	5,559	6,519	-	-	40,016
Legal and office administration	5,888	-	-	-	-	5,888
Field and camp	9,649	12,985	9,000	-	-	31,634
Total exploration expenses	\$ 196,729	\$ 18,544	\$ 342,566	\$ -	\$ -	\$ 557,839

6. 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 4.1% of Zacapa (note 5).

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 on the sale of Libero Mining Limited. As at June 30, 2021, the fair value of Zacapa common shares was consistent with initial recognition.

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, June 30, 2021	\$ 1,000,000

LIBERO COPPER & GOLD CORPORATION**Notes to unaudited condensed interim consolidated financial statements***(expressed in Canadian dollars, unless otherwise stated)***7. OTHER ASSETS**

As at	June 30, 2021	December 31, 2020
Reclamation bond – Big Red	\$ 60,000	\$ 44,000
Reclamation bond – Big Bulk	16,000	-
Security deposit – Office Lease	28,081	28,081
Total	\$ 104,081	\$ 72,081

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	June 30, 2021	December 31, 2020
Trade payables	\$ 220,090	\$ 107,938
Other accrued liabilities	293,269	139,668
Total	\$ 513,359	\$ 247,606

9. 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 4) and a corresponding lease liability of \$313,605. The incremental borrowing rate for the lease liability recognized is 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 at Mocoa and recorded a right-of-use asset of \$73,171 within property, plant and equipment (note 4) and a corresponding lease liability of \$73,171. The incremental borrowing rate for these lease liabilities is 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 4)	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	(51,464)
Non-cash interest expense	9,118
Foreign exchange difference	(6,179)
Balance, June 30, 2021	218,030
Current portion of lease liability	58,961
Long-term portion of lease liability	\$ 159,069

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

10. 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 including warrants and options 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 5).

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 "Non-Flow Through (NFT) Unit Offering") and (ii) 7,272,726 units at a price of \$0.55 per unit (the "Flow Through (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 Canadian Income Tax Act which will be renounced to the initial purchasers of the flow-through shares (note 11).

As at June 30, 2021, the Company had 46,642,813 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 six months ended June 30, 2021, 3,190,000 warrants were exercised at weighted average exercise price of \$0.74 per warrant for total proceeds of \$2,367,500.

On June 30, 2021, 3,430,000 warrants expired unexercised. The fair value of these warrants of \$577,675 remained in contributed surplus.

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

Information regarding warrants outstanding at June 30, 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	(3,190,000)		0.74
Expired	(3,430,000)		0.51
Outstanding, June 30, 2021	14,646,481	\$	0.75

As at June 30, 2021, the Company had 14,646,481 warrants outstanding, with weighted average exercise price of \$0.75 and a remaining life of 1.22 years:

Expiry date	Warrants outstanding		Weighted average exercise price		Weighted average remaining life (years)
March 12, 2022	900,000		0.75		0.70
May 13, 2022	7,064,416		0.75		0.87
February 22, 2023	6,682,065		0.75		1.65
	14,646,481	\$	0.75		1.22

In connection with the February 2021 private placement, the Company has calculated and recorded to contributed surplus the fair value of 6,682,065 (June 30, 2020: 8,004,416) warrants issued of \$1,509,159 (June 30, 2020: \$1,430,063) based on the relative fair value approach with the following weighted average variables:

	June 30, 2021	June 30, 2020
Risk free interest rate	0.23%	0.32%
Expected volatility	131.91%	134.56%
Expected life (years)	2	2
Expected dividends (yield)	0%	0%
Fair value per warrant	\$ 0.30	\$ 0.25

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.

On April 13, 2021, and June 23, 2021, the Company granted 790,000 incentive stock options to new employees and consultants pursuant to the Company's stock option plan. The share purchase options are exercisable at weighted average exercise price of \$0.56 and will expire on April 13, 2026.

LIBERO COPPER & GOLD CORPORATION
Notes to unaudited condensed interim consolidated financial statements
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10. SHARE CAPITAL (CONTINUED)
c) Share Purchase Options (continued)

During the six months ended June 30, 2021, 345,000 share purchase options were exercised at weighted average exercise price of \$0.44 per option for total proceeds of \$152,000.

Information regarding share purchase options outstanding at June 30, 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	1,090,000		0.56
Exercised	(345,000)		0.44
Expired	(220,000)		0.57
Forfeiture	(30,000)		0.35
Outstanding, June 30, 2021	3,490,000	\$	0.49

Information regarding share purchase options outstanding and exercisable at June 30, 2021 is as follows:

Expiry date	Options outstanding	Options exercisable	Weighted average exercise price	Weighted average remaining life (years)
December 15, 2022	85,000	85,000	0.50	1.46
December 11, 2023	735,000	735,000	0.47	2.45
October 2, 2024	360,000	360,000	0.77	3.26
December 17, 2025	1,520,000	1,052,500	0.39	4.47
April 13, 2026	790,000	197,500	0.56	4.79
	3,490,000	2,430,000	\$ 0.49	3.92

The fair value of 1,090,000 share purchase options granted with weighted average exercise price of \$0.56 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	June 30, 2021
Risk free interest rate	0.80%
Expected volatility	123.24%
Expected life (years)	5
Expected dividends (yield)	0%
Fair value per option	\$ 0.44

No options were granted during the six months ended June 30, 2020.

Share-based compensation expense related to share purchase options for the three and six months ended June 30, 2021, was \$303,955 and \$540,024, respectively (June 30, 2020: \$32,544 and 95,530), 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)***11. 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		(76,740)
Balance, June 30, 2021	\$	419,332

During the six months ended June 30, 2021, the Company incurred \$629,828 (June 30, 2020: \$342,566) of flow-through expenditures on Big Red and Big Bulk (note 5) of which the \$622,026 (June 30, 2020: \$342,566) were flow-through eligible expenditures. The Company derecognized the associated flow-through share premium liability and recognized a deferred income tax recovery of \$76,740 (June 30, 2020: 74,272) in the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2021.

12. RELATED PARTY TRANSACTIONS

Key management, directors, and officers received the following salaries and benefits during the six months ended June 30, 2021 and 2020:

For the six months ended	June 30, 2021		June 30, 2020	
Share-based compensation	\$	365,412	\$	65,253
Employee salaries and benefits		151,981		174,888
	\$	517,393	\$	240,141

The following table provides the total amount of transactions, which have been entered into by the Company with related parties during the six months ended June 30, 2021 and 2020:

For the six months ended	June 30, 2021		June 30, 2020	
Purchases:				
Accounting and legal costs recharged from a company controlled by director Ian Slater	\$	90,000	\$	100,000
Legal fees to Farris, Vaughan, Wills & Murphy LLP in which director Jay Sujir is a partner	\$	29,206	\$	23,858
Geological consulting fees to Serac Exploration Limited a company with two common directors - Ian Slater and Bradley Rourke	\$	180,571	\$	-
Geological consulting fees to Scottie Resources Corp. a company with two common directors - Ernest Mast and Bradley Rourke	\$	10,915	\$	-

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

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12. RELATED PARTY TRANSACTIONS (CONTINUED)

The following table provides outstanding balances as at June 30, 2021 and December 31, 2020:

As at	June 30, 2021	December 31, 2020
Amounts owed to:		
Farris, Vaughan, Wills & Murphy LLP in which director Jay Sujir is a partner	\$ 3,574	\$ 2,243
Serac Exploration Limited a company with two common directors Ian Slater and Bradley Rourke	\$ 125,106	\$ -
Scottie Resources Corp. a company with two common directors Ernest Mast and Bradley Rourke	\$ 11,461	\$ -

Related party transactions are measured at the amounts agreed upon by the parties and valued at their cost.

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 4.1% of Zacapa (note 6).

13. 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 6).

Marketable securities

From time to time, the Company may acquire and transfer marketable securities to facilitate intragroup funding transfers between the Canadian parent and its Argentine operating subsidiary.

The Company does not acquire marketable securities or engage in these transactions for speculative purposes but to get a better exchange rate. In this regard, under this strategy, the Company generally uses marketable securities of large and well established companies, with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the market securities occurs over several days, some fluctuations are unavoidable.

As these marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments, between acquisition and disposition, are recognized through profit or loss.

LIBERO COPPER & GOLD CORPORATION

Notes to unaudited condensed interim consolidated financial statements

(expressed in Canadian dollars, unless otherwise stated)

13. FINANCIAL INSTRUMENTS (CONTINUED)

Marketable securities (continued)

As a result of having utilized this mechanism for intragroup funding for the six months ended June 30, 2021, the Company acquired and transferred marketable securities at a cost of \$169,022, converting it to \$265,606, realizing a gain of \$96,584 (June 30, 2020: \$nil), which has been recorded in the consolidated statements of loss and comprehensive loss.

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the period ended June 30, 2021, the Company:

- a) issued 60,000 common shares at a price of \$0.475 per share with an estimated fair value of \$28,500 in accordance with the Big Red option agreement (note 5).
- b) issued 91,404 NFT units (note 10) in association with the 6% finder's fee. Of the total finder's fee of \$290,250, \$43,321 was settled with the NFT units and the remainder was settled in cash.

During the period ended June 30, 2020, the Company:

- a) issued 40,000 common shares at a price of \$0.50 per share with an estimated fair value of \$20,000 in accordance with the Big Red option agreement.
- b) issued 193,416 NFT units in association with the 6% finder's fee. Of the total finder's fee of \$111,768, \$96,708 was settled with the NFT units and the remainder was settled in cash.

15. SUBSEQUENT EVENTS

Huachi Porphyry Copper-Gold Project

On July 27, 2021, the Company entered into a binding letter of intent ("LOI") with Golden Arrow Resources Corp. to earn-in to 75% of the Huachi porphyry copper-gold project ("Huachi"), expanding the Company's Esperanza project in San Juan, Argentina. The Company must incur US \$1,000,000 of exploration expenditures over four years as follows:

- US \$100,000 within one year after an environmental permit is issued;
- US \$150,000 within two years after an environmental permit is issued;
- US \$250,000 within three years after an environmental permit is issued;
- US \$500,000 within four years after an environmental permit is issued.

Upon the completion of the required exploration expenditures, the Company and Golden Arrow Resources Corp. will form a 75/25 joint venture for the continued exploration and development of the project.