LIBERO COPPER CORPORATION

Consolidated financial statements

For the years ended December 31, 2018 and 2017

Independent auditor's report

To the Shareholders of Libero Copper Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Libero Copper Corporation and its subsidiaries (together, the Company) as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2018 and 2017;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mark Patterson.

(signed) PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 12, 2019

LIBERO COPPER CORPORATION
Consolidated statements of financial position
(expressed in Canadian dollars)

As at	Notes	December 31, 2018	December 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents		$ 416,844	$ 525,376
Amounts receivable		6,921	1,642
Prepaid expenses		199,196	29,168
		622,961	**556,186**
Non-current assets			
Property, Plant and Equipment	5	16,158	-
Mineral properties	6	1,219,564	182,633
		1,235,722	182,633
Total assets		$ **1,858,683**	$ **738,819**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	$ 106,031	$ 31,813
Total liabilities		**106,031**	**31,813**
SHAREHOLDERS’ EQUITY			
Share capital	8	7,353,000	6,030,804
Contributed surplus		431,567	357,818
Deficit		(6,031,915)	(5,681,616)
Total shareholders’ equity		**1,752,652**	**707,006**
Total liabilities and shareholders’ equity		$ **1,858,683**	$ **738,819**
Nature of Operations and Going Concern	1		

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 CORPORATION
Consolidated statements of loss and comprehensive loss
(Expressed in Canadian dollars)

For the year ended	Notes	December 31, 2018	December 31, 2017
EXPENSES			
Exploration expenses	6	$ 96,547	$ 251,750
Share-based payments	8(c)	73,749	62,653
Professional fees		72,464	30,772
Investor relations and business development		47,646	54,036
Filing fees		36,320	36,825
General and administration		26,631	36,032
Project evaluations		-	23,319
		353,357	495,387
OTHER EXPENSES (INCOME)			
Foreign exchange loss		1,105	-
Interest and other income		(4,163)	-
		(3,058)	-
Net loss and total comprehensive loss for the year		**$ 350,299**	**$ 495,387**
Basic and diluted loss per share		$ 0.01	$ 0.01
Weighted average number of common shares outstanding		50,330,694	42,853,300

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

LIBERO COPPER CORPORATION
Consolidated statements of changes in equity
(Expressed in Canadian dollars)

	Notes	Number of shares	Share capital	Contributed surplus	Deficit	Total
Balance, December 31, 2016		**35,108,714**	$ **5,388,295**	$ **479,549**	$ **(5,186,229)**	$ **681,615**
Warrants exercised	8(b)	9,000,000	630,243	(180,243)	-	450,000
Share purchase options exercised	8(c)	81,250	12,266	(4,141)	-	8,125
Share-based payments	8(c)	-	-	62,653	-	62,653
Total comprehensive loss		-	-	-	(495,387)	(495,387)
Balance, December 31, 2017		**44,189,964**	$ **6,030,804**	$ **357,818**	$ **(5,681,616)**	$ **707,006**
Shares issued for mineral property acquisition	6	10,400,000	832,000	-	-	832,000
Private placement, net of share issue costs	8(a)	6,666,667	490,196	-	-	490,196
Share-based payments	8(c)	-	-	73,749	-	73,749
Total comprehensive loss		-	-	-	(350,299)	(350,299)
Balance, December 31, 2018		**61,256,631**	$ **7,353,000**	$ **431,567**	$ **(6,031,915)**	$ **1,752,652**

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

LIBERO COPPER CORPORATION
Consolidated statements of cash flows
(Expressed in Canadian dollars)

For the year ended	Note	December 31, 2018	December 31, 2017
OPERATING ACTIVITIES			
Net loss for the year		$ **(350,299)**	$ **(495,387)**
Adjustments for items not involving cash:			
Share-based payments	8(c)	73,749	62,653
Depreciation	5	347	-
Foreign exchange loss		1,105	-
		(275,098)	**(432,734)**
Net changes in non-cash working capital items:			
Amounts receivable		(4,812)	1,036
Prepaid expenses		(170,028)	(29,111)
Accounts payable and accrued liabilities		53,530	(11,580)
Net cash outflows from operating activities		**(396,408)**	**(472,389)**
FINANCING ACTIVITIES			
Proceeds from private placement, net of share issue costs	8(a)	490,196	-
Proceeds from exercise of warrants and share purchase options		-	458,125
Net cash inflows from financing activities		**490,196**	**458,125**
INVESTING ACTIVITIES			
Transaction costs for acquisition of mineral properties, net of cash acquired	6	(202,320)	(130,745)
Net cash outflows for investing activities		**(202,320)**	**(130,745)**
Net decrease in cash and cash equivalents		**(108,532)**	**(145,009)**
Cash and cash equivalents, beginning of the year		525,376	670,385
Cash and cash equivalents, end of the year		$ **416,844**	$ **525,376**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Libero Copper Corporation ("Libero" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on June 5, 2008. The Company changed its name from Libero Mining Corporation to Libero Copper Corporation on November 1, 2017.

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.

Going concern

These financial statements have been prepared on the basis of generally accepted accounting principles applicable to a going concern that assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. To date, the Company has not earned any revenues. 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 year ended December 31, 2018 of $350,299 (December 31, 2017: $495,387). As at December 31, 2018, the Company had cash and cash equivalents of $416,844 (December 31, 2017: $525,376) and accounts payable and accrued liabilities of $106,031 (December 31, 2017: $31,813) as well as other commitments (note 12) related to its properties.

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. There is no guarantee that the Company will be able to continue to secure additional financings in the future on terms that are favourable. The nature and significance of this factor may cast significant doubt upon the Company's ability to continue as a going concern, and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the financial statements. Such adjustments could be material.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standard ("IFRS"). The consolidated financial statements have been prepared using the accounting policies set out in note 3.

The consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars.

The consolidated financial statements of the Company for the year ended December 31, 2018 were authorized for issue by the Board of Directors on April 12, 2019.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (CONTINUED)

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its 100% owned subsidiaries:

- Libero Mining Limited, a company incorporated in Delaware, in the United States of America ("USA") which holds the Tomichi porphyry copper-molybdenum option agreement; and
- Libero Resources Limited and its subsidiaries, a company incorporated in the British Virgin Islands, which holds the Mocoa porphyry copper-molybdenum deposit in Colombia.

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from the Company's involvement with the entity and has the ability to affect those returns through the Company's power over the entity.

The results of the subsidiary are included in the consolidated financial statements from the date that control commences until the date the control ceases. All intercompany transactions and balances have been eliminated.

3. PRINCIPAL ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the consolidated financial statements are set out below.

a) Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company and its subsidiaries is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in net loss.

b) Property, plant and equipment

Items of equipment are initially recognized at cost. All items of equipment are subsequently carried at depreciated cost less impairment losses, if any.

Depreciation is provided on all items of equipment to write off the carrying value of items over their expected useful lives. It is applied using the declining balance method at the following rates:

- Computer Hardware – 30% per annum
- Software – 100% per annum
- Field Equipment – 30% per annum
- Office Equipment – 20% per annum
- Vehicles – 30% per annum

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

c) Mineral properties

The Company defers the cost of acquiring and maintaining its interest in mineral properties until the properties are placed into production, abandoned, sold or considered to be impaired in value. Other exploration and evaluation expenditures are expensed as incurred until the technical feasibility and commercial viability of project can be established, after which such costs will be accounted for in the same manner as acquisition costs. Costs of producing properties will be amortized on a units of production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the assets, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the existence of reserves. Management reviews the carrying value of mineral properties at least annually and will recognize impairment in value based upon the current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the assets. Amounts shown for mineral properties represent costs incurred net of any write-downs and recoveries and are not intended to represent present or future values.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of a) an asset’s or cash-generating unit’s (CGU) fair value less costs to sell and b) its value in use, determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

e) Financial instruments

On January 1, 2018 (the “Transition Date”), the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 provides a revised model for recognition, measurement and impairment approach for financial assets and includes a substantially revised approach to hedge accounting. The Company adopted the standard using the modified retrospective approach. The transition to IFRS 9 did not impact the Company's measurement of financial assets and liabilities.

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each of the Company’s financial assets and financial liabilities:

	Measurement Category	
	2017 (IAS 39)	**2018 (IFRS 9)**
Financial Assets:		
Cash, cash equivalents and amounts receivable	Loans and receivables	Amortized cost
Financial Liabilities:		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

e) Financial instruments (continued)

For the year ended December 31, 2017 the Company's financial assets comprising cash and cash equivalents and amounts receivables were designated as loans and receivables and measured at amortized costs and the Company's accounts payable and accrued liabilities were designated as other financial liabilities and measured at amortized cost.

The Company's new accounting policies for financial assets are as follows:

Financial assets – Classification

Financial assets are classified at initial recognition as either: measured at amortized cost, FVTPL or FVOCI. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in earnings or loss or other comprehensive income or loss "OCI". For investments in debt instruments, this will depend on the business model for which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in earnings or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost – Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in earnings or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest and finance (expense) income using the effective interest rate method.
- FVOCI – Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in earnings or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to earnings or loss and recognized in other gains (losses). Interest income from these financial assets is included in interest and finance (expense) income using the effective interest rate method. Foreign exchange gains and losses are presented in foreign exchange (loss) gain and impairment expenses in other expenses.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

e) Financial instruments (continued)

Financial assets – Measurement (continued)

- FVTPL – Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in earnings or loss and presented net in the statement of earnings (loss) within other gains (losses) in the period in which it arises.

Changes in the fair value of financial assets at FVTPL are recognized in loss on financial instruments at fair value in the statement of earnings (loss) as applicable.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with any debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

f) Taxation

Tax expense recognized in comprehensive loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization or settlement, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are recognized for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, or

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and any unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to set off current tax assets and liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax expense in net loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

g) Share-based payments

The Company grants share purchase options as an element of compensation. For share purchase options granted by the Company, the cost of the service received is measured based on an estimate of the fair value at the date of grant. The grant-date fair value is recognized as compensation expense over the vesting period with a corresponding increase in contributed surplus. On the exercise of share purchase options, consideration received, together with the compensation expense previously recorded to contributed surplus, is credited to share capital. The Company uses the Black-Scholes option pricing model to estimate the fair value of each share purchase option tranche at the date of grant.

h) Loss per share

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the year. The Company uses the treasury share method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year.

i) Management judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Information about significant accounting policy judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Impairment

The Company assesses each cash-generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its cash-generating units as being each mineral property, which is the lowest level for which cash inflows are largely independent of those of other assets and has determined that there are no indications of impairment.

Stock-Based Compensation

The Company uses the fair-value method of accounting for share-based payments related to incentive stock options and warrants granted, modified or settled. Under this method, cost attributable to options and awards granted is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate.

(Expressed in Canadian dollars, unless otherwise stated)

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The following new standards, and amendments to standards and interpretations, were not yet effective for the year ended December 31, 2018, and have not been applied in preparing these consolidated financial statements.

IFRS 16 Leases

The IASB issued IFRS 16, Leases ("IFRS 16"). This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption provided that IFRS 15 is also adopted. The objective of IFRS 16 is to bring all leases on-balance sheet for lessees. IFRS 16 requires lessees to recognize a "right of use" asset and lease liability calculated using a prescribed methodology. The Company is assessing IFRS 16's impact on its consolidated financial statements and currently expects to bring on certain office and core warehouse leases on to the balance sheet and is in process of quantifying the impact.

5. PROPERTY, PLANT AND EQUIPMENT

The following are details of property, plant and equipment in 2018:

	Field equipment	Leasehold improvements	Total
Cost			
Balance, December 31, 2017	$ **-**	$ **-**	$ **-**
Mocoa acquisition, June 15, 2018	$ **2,465**	$ **-**	$ **2,465**
Additions	-	14,040	14,040
Balance, December 31, 2018	$ **2,465**	$ **14,040**	$ **16,505**
Accumulated depreciation			
Balance, December 31, 2017	$ **-**	$ **-**	$ **-**
Depreciation charged	(347)	-	(347)
Balance, December 31, 2018	$ **(347)**	$ **-**	$ **(347)**
Net book value, December 31, 2017	$ **-**	$ **-**	$ **-**
Net book value, December 31, 2018	$ **2,118**	$ **14,040**	$ **16,158**

6. 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 year ended December 31, 2018, as follows:

	Mocoa	Tomichi	Total
Balance, December 31, 2016	$ **-**	$ **51,888**	$ **51,888**
Acquisition	-	130,745	130,745
Balance, December 31, 2017	$ **-**	$ **182,633**	$ **182,633**
Acquisition	931,107	105,824	1,036,931
Balance, December 31, 2018	$ **931,107**	$ **288,457**	$ **1,219,564**

(Expressed in Canadian dollars, unless otherwise stated)

6. MINERAL PROPERTIES (CONTINUED)

Mocoa Porphyry Copper-Molybdenum Deposit

On June 15, 2018, the Company closed a transaction with B2 Gold Corp. ("B2Gold") to acquire Mocoa Ventures Ltd., which holds 100% of the Mocoa porphyry copper-molybdenum deposit in Colombia ("Mocoa"), in return for the issuance of 10,400,000 common shares of the Company and a 2% net smelter return royalty.

For accounting purposes, the transaction has been treated as an asset acquisition as it did not meet the definition of a business combination.

Purchase consideration paid:		
Fair value of 10,400,000 common shares of Libero issued to B2 Gold at a price of $0.08 per share	$	832,000
Transaction costs		97,709
Total consideration	$	**929,709**

The purchase consideration has been allocated as follows:		
Mineral properties	$	931,107
Property, Plant and Equipment (note 5)		2,465
Working capital deficit		(3,863)
Net assets acquired	$	**929,709**

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, and incurred $105,824 in 2018 (2017: $130,745 and 2016: $51,888) for a total of $288,457 of acquisition costs as at December 31, 2018 (December 31, 2017: $182,633). The Company has a five-year option until December 16, 2021 to acquire 100% of Tomichi for an exercise price of US $4 million (the "Exercise Price"). The Company must make the following option payments in order to maintain rights under the option agreement:

- US $7,500 on December 16, 2016 *(paid)*;
- US $40,000 on January 16, 2017 *(paid)*;
- US $60,000 on December 16, 2017 *(paid)*;
- US $80,000 on December 16, 2018 *(paid)*;
- US $125,000 on December 16, 2019; and
- US $150,000 on December 16, 2020.

Option payments made to maintain the option are not credited against the Exercise Price. However, at any time the option may be exercised early by paying the Exercise Price with no further option payments required.

Exploration expenses

The following is a summary of the Mocoa and Tomichi exploration expenses. Exploration expenses for Mocoa represent those expenditures from the acquisition date, June 15, 2018, to December 31, 2018:

For the year ended December 31, 2018		Mocoa		Tomichi		Total
Field and camp	$	10,573	$	21,703	$	32,276
Technical and geological consulting		2,250		24,237		26,487
Legal and office administration		18,887		-		18,887
License and permits		5,746		9,893		15,639
Travel and transportation		2,911		-		2,911
Depreciation		347		-		347
Total exploration expenses	$	**40,714**	$	**55,833**	$	**96,547**

(Expressed in Canadian dollars, unless otherwise stated)

6. MINERAL PROPERTIES (CONTINUED)

Exploration expenses (continued):

For the year ended December 31, 2017	Mocoa	Tomichi	Total
Field and camp	$ -	$ 97,572	$ 97,572
Technical and geological consulting	-	146,476	146,476
License and permits	-	7,702	7,702
Total exploration expenses	$ -	$ **251,750**	$ **251,750**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	December 31, 2018	December 31, 2017
Trade payables	$ 43,260	$ 12,626
Other accrued liabilities	62,771	19,187
Total	$ **106,031**	$ **31,813**

8. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

Private placements

During the year ended December 31, 2018, the Company closed a non-brokered private placement of 6,666,667 common shares at a price of $0.075 per common share for aggregate gross proceeds of $500,000 ($490,196 net of share issue costs).

As at December 31, 2018, the Company had 61,256,631 common shares issued and outstanding.

b) Warrants

During the year ended December 31, 2018, there was no change to the Company's warrants.

During the year ended December 31, 2017, 9,000,000 warrants were exercised with an exercise price of $0.05 per warrant for total proceeds of $450,000.

Information regarding warrants outstanding at December 31, 2018 is as follows:

	Warrants outstanding	Weighted average exercise price
Outstanding, December 31, 2016	**13,250,000**	$ **0.08**
Exercised	(9,000,000)	0.05
Outstanding, December 31, 2017 and 2018	**4,250,000**	$ **0.10**

As at December 31, 2018, the Company had 4,250,000 warrants outstanding, with an exercise price of $0.10 and a remaining life of 2.21 years:

Expiry date	Warrants outstanding	Weighted average exercise price	Weighted average remaining life (years)
March 1, 2021	2,550,000	$ 0.10	2.17
April 8, 2021	1,700,000	0.10	2.27
	4,250,000	$ **0.10**	**2.21**

(Expressed in Canadian dollars, unless otherwise stated)

8. SHARE CAPITAL (CONTINUED)

c) Share Purchase Options

Information regarding share purchase options outstanding at December 31, 2018 and changes for the year is as follows:

	Options outstanding		Weighted average exercise price
Outstanding, December 31, 2016	**3,510,000**	$	**0.10**
Granted	825,000		0.10
Exercised	(81,250)		0.10
Expired/Cancelled	(86,875)		0.12
Forfeiture	(91,875)		0.13
Outstanding, December 31, 2017	**4,075,000**	$	**0.10**
Granted	3,425,000		0.08
Expired/Cancelled	(2,025,000)		0.10
Forfeiture	(125,000)		0.10
Outstanding, December 31, 2018	**5,350,000**	$	**0.08**

Information regarding share purchase options outstanding and exercisable at December 31, 2018 is as follows:

Expiry date	Options outstanding	Options exercisable		Exercise price	Weighted average remaining life (years)
March 16, 2021	1,150,000	1,150,000	$	0.10	2.21
May 19, 2021	200,000	200,000		0.10	2.38
December 15, 2022	675,000	631,250		0.10	3.96
December 11, 2023	3,325,000	-		0.075	4.95
	5,350,000	**1,981,250**	$	**0.08**	**4.14**

During the year ended December 31, 2018, 3,425,000 share purchase options were granted with a weighted average exercise price of $0.08. The fair value of the options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate		2.02%
Expected volatility		140.99%
Expected life (years)		5
Expected dividends (yield)		0%
Fair value per option	$	**$0.06**

Share-based payments expense related to share purchase options for the year ended December 31, 2018, was $73,749 (December 31, 2017: $62,653), and has been recorded in the consolidated statements of comprehensive loss.

(Expressed in Canadian dollars, unless otherwise stated)

9. INCOME TAX

The Company is subject to tax in Canada, the USA, and Colombia at rates of 27%, 21%, and 33%, respectively, for the year ended December 31, 2018. The Company had no assessable profit in Canada, the USA, or Colombia for the year ended December 31, 2018. In December 2017 a tax reform was enacted in the United States. The significant changes include a reduction to corporate income tax rates from 35% to 21% effective January 1, 2018. Effective January 1, 2018, the Canadian statutory tax rate increased to 27%.

Income tax recovery differs from the amounts that would be obtained by applying the Canadian statutory income tax rate to net loss before income tax as follows:

For the year ended		December 31, 2018		December 31, 2017
Net loss for the year	$	**(350,299)**	$	**(495,387)**
Statutory tax rate		27%		26%
Recovery tax at the statutory rate		**(94,581)**		**(128,801)**
Non-deductible expenses		20,022		16,290
Unrecognized loss carryforwards		59,856		100,822
Difference in tax rate of foreign jurisdiction and other		14,703		11,689
Income tax recovery	$	-	$	-

The Company's deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are as follows:

For the year ended		December 31, 2018		December 31, 2017
Deductible temporary differences				
Loss carry-forwards	$	4,091,178	$	3,880,442
Share issue costs		18,277		15,649
Resource properties		349,360		349,360
Investment tax credits		45,936		45,937
Capital loss carryforwards		331,069		331,069
Total deductible temporary differences	$	**4,835,820**	$	**4,622,457**

The Company has non-capital loss carryforwards of approximately $4,091,178 (December 31, 2017: $3,880,442), primarily related to Canada, which may be available to offset future income for income tax purposes. The Company recognizes the benefits of tax losses only to the extent of the reversal of taxable temporary differences in relevant jurisdictions within the carry forward period. The available non-capital losses can be carried forward for 20 years in Canada.

10. RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions, which have been entered into by the Company with related parties during the year ended December 31, 2018 and 2017:

For the year ended		December 31, 2018		December 31, 2017
Purchases:				
Costs recharged from a company controlled by director Ian Slater	$	12,000	$	12,000
Legal fees to Farris, Vaughan, Wills & Murphy LLP in which a director, Jay Sujir, is a partner	$	67,259	$	6,711
Amounts owed to:				
Farris, Vaughan, Wills & Murphy LLP in which a director, Jay Sujir, is a partner	$	11,900	$	56

(Expressed in Canadian dollars, unless otherwise stated)

10. RELATED PARTY TRANSACTIONS (CONTINUED)

There was no cash compensation paid to directors or officers of the Company during the year ended December 31, 2018 and 2017. The share-based payment expense related to members of executive management for the year ended December 31, 2018 was $51,799 (December 31, 2017: $34,417). There were no other forms of compensation paid to management during the year ended December 31, 2018 and 2017.

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

11. 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 three geographic regions, Canada, USA, and Colombia, as follows:

As at December 31, 2018	Canada	USA	Colombia	Total
Total assets	$ 587,530	$ 306,569	$ 964,584	$ **1,858,683**
Total liabilities	66,697	20,975	18,359	**106,031**
Net loss for 2018	$ 248,329	$ 63,775	$ 38,195	$ **350,299**

As at December 31, 2017	Canada	USA	Colombia	Total
Total assets	$ 545,719	$ 193,100	$ -	$ **738,819**
Total liabilities	22,263	9,550	-	**31,813**
Net loss for 2017	$ 229,187	$ 266,200	$ -	$ **495,387**

12. COMMITMENTS AND CONTINGENCIES

The Company has to make cash payments in order to meet the terms of the option agreements entered into to purchase Tomichi and Big Red as described in note 6 and note 15, respectively.

The Company has a number of operating leases relating to offices and core warehouses. The following is a summary of the commitments:

	Less than 1 year	1 - 5 years	More than 5 years	Total
Office leases	$ 107,383	$ 511,119	$ -	$ **618,502**
Core warehouse leases and other	86,670	24,695	-	**111,365**
	$ 194,053	$ 535,814	$ -	$ **729,867**

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the consolidated financial condition or future results of the Company.

13. CAPITAL MANAGEMENT

The Company's capital consists of common shares, contributed surplus, and deficit attributable to shareholders of the Company. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares, or sell assets to reduce debt. In addition, the Company is cognizant of the impact of diluting equity shareholders and so considers this when planning the timing and amount of equity financing or other changes to the group's capital structure.

14. FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents and amounts receivable as a financial asset at amortized cost and accounts payable and accrued liabilities as financial liabilities at amortized cost.

a) Fair value

Management assessed that 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 has no financial instruments measured at fair value.

b) Financial risk management

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk is attributable to its liquid financial assets including cash and cash equivalents and receivables.

The Company is exposed to credit risk with respect to its cash and cash equivalents. All cash and cash equivalents are on deposit with major Canadian or Colombian financial institutions.

The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk by purchasing highly liquid, short-term investment-grade securities held at major financial institutions.

The Company's concentration of credit risk arises from its cash and cash equivalents and as at December 31, 2018, the maximum exposure thereto is $416,844 (December 31, 2017: $525,376).

Interest rate risk

The Company is not exposed to significant interest rate risk.

Foreign currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's currency risk is presently limited to cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities of the parent entity that are denominated in US dollars ("USD") and of the subsidiaries that are denominated in Colombian peso ("COP").

14. FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management (continued)

Foreign currency risk (continued)

The Company also has transactional currency exposures such as the Tomichi option agreement payments and various working capital requirements for the Mocoa deposit. Such exposures arise from purchases in currencies other than Canadian dollars, typically the USD and the COP. The Company manages this risk by matching receipts and payments in the same currency and monitoring the movements in foreign currency.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company anticipates that there is sufficient capital and liquidity to meet liabilities when due.

During the year ended December 31, 2018, the Company closed a non-brokered private placement of 6,666,667 common shares at a price of $0.075 per common share for aggregate gross proceeds of $500,000. There is no guarantee that the Company will be able to secure additional financing in the future at terms that are favourable. Refer to note 1 – Nature of Operations and Going Concern.

15. SUBSEQUENT EVENTS

Big Red Porphyry Copper-Gold Property in the Golden Triangle

On February 11, 2019, the Company closed an option agreement to acquire 100% of the Big Red porphyry copper-gold property in the Golden Triangle in British Columbia, Canada (“Big Red”). The Company, at its option, may acquire 100% of Big Red in return for the issuance of 2,000,000 common shares of the Company and cash payments of $440,000 over four years (the “Option”) as follows:

- $20,000 and 100,000 common shares on January 25, 2019 *(paid and issued, respectively)*;
- $30,000 and 200,000 common shares on January 25, 2020;
- $40,000 and 300,000 common shares on January 25, 2021;
- $50,000 and 400,000 common shares on January 25, 2022; and
- $300,000 and 1,000,000 common shares on January 25, 2023.

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