

# **LIBERO** COPPER

**LIBERO COPPER & GOLD CORPORATION**

**Management's Discussion and Analysis**

**For the year ended December 31, 2021**

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**INTRODUCTION**

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This management's discussion and analysis ("MD&A") focuses on significant factors that affected Libero Copper & Gold Corporation ("Libero" or the "Company") during the year ended December 31, 2021 and to the date of this report. This MD&A supplements but does not form part of the audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2021. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021, and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

Additional information related to Libero is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.liberocopper.com](http://www.liberocopper.com).

This MD&A contains information up to and including April 29, 2022.

**FORWARD-LOOKING INFORMATION**

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Certain statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to page 15 of this MD&A.

**COMPANY OVERVIEW**

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The Company was incorporated under the Business Corporations Act (British Columbia) on June 5, 2008. The Company is listed on the TSX Venture Exchange ("Exchange") as a Tier 2 Mining Company under the symbol "LBC" and on the OTCQB market under the symbol "LBCMF". The Company is engaged in the acquisition and exploration of mineral properties.

**QUALIFIED PERSONS**

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The technical information contained in this MD&A has been reviewed and approved by Libero's Vice President of Exploration, Matthew Wunder, P.Geo., who is a Qualified Person, as defined under NI 43-101.

**COMPANY DEVELOPMENTS AND OUTLOOK**

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The Company holds a collection of porphyry deposits in the Americas. The portfolio includes Big Red, a new greenfield porphyry copper discovery, and Big Bulk in the Golden Triangle, Canada, the Esperanza porphyry copper-gold discovery in San Juan, Argentina and the Mocoa porphyry copper-molybdenum deposit in Colombia. A pit constrained resource at Mocoa contains 636 million tonnes of 0.45% copper equivalent at a cut-off of 0.25% copper equivalent containing 4.6 billion pounds of copper and 511 million pounds of molybdenum. Mocoa is open in both directions along strike and at depth.

The 2021 field season was completed at both Big Red and Big Bulk including diamond drilling at both projects. At Big Red porphyry copper mineralization was discovered at the Terry target late in the 2020 field season with four reverse circulation (RC) drill holes from one pad all mineralized from surface through the end of the holes. At Big Red a surficial mapping and soil sampling program and a 3D IP survey were completed in July 2021 and a planned 4,571 metre diamond drill program was completed in October. At Big Bulk a 1,743 metre diamond drill program was completed in September.

A diamond drill program commenced at Mocoa in February 2022. Drill permitting is ongoing at Esperanza.

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**MINERAL PROPERTIES**

**Mocoa Porphyry Copper-Molybdenum Deposit**

In June 2018, the Company acquired 100% of the Mocoa porphyry copper-molybdenum deposit (“Mocoa”) in Colombia from B2Gold Corp. (“B2Gold”) in return for issuance of 2,080,000 common shares of the Company and a 2% net smelter return royalty (“NSR royalty”) on the project. The Company has retained a right of first refusal on any sale of the royalty.

The Mocoa property is located 10 kilometres from the town of Mocoa, near the Ecuador border, in the Eastern Cordillera of Colombia. The Eastern Cordillera is a 30-kilometre-wide tectonic belt underlain by volcano-sedimentary, sedimentary and intrusive rocks that range in age from Triassic-Jurassic to Quaternary, and by remnants of Paleozoic metasediments and metamorphic rocks of Precambrian age. This belt hosts several other porphyry-copper deposits, such as Mirador, San Carlos, Panantza, and Warintza, located in Ecuador.

Copper-molybdenum mineralization is associated with a dacite porphyry intrusion of Middle Jurassic age emplaced into andesitic and dacitic volcanics. The Mocoa porphyry system exhibits a classical zonal pattern of hydrothermal alteration and mineralization, with a deeper central core of potassic alteration overlain by sericitization and surrounded by propylitization. Mineralization consists of disseminated chalcopyrite, molybdenite and local bornite associated with multiphase veins, stockworks and hydrothermal breccias. The Mocoa deposit forms a continuous zone of copper and molybdenum mineralization over an area measuring approximately 1,200 metres by 1,400 metres and extending to depths of more than 1,000 metres below surface.

Mocoa was discovered in 1973 by the predecessor of the El Servicio Geológico Colombiano. Between 1978 and 1983, 18,321 metres of diamond drilling in 31 holes and a prefeasibility study were completed. In 2008 and 2012, B2 Gold completed 6,891 metres in 12 holes.

The resource estimate for Mocoa consists of an Inferred mineral resource of 636 million tonnes at a grade of 0.45% copper equivalent containing 4.6 billion pounds of copper and 511 million pounds of molybdenum. Table 1 shows the sensitivity of the resource, listed at a variety of cut-off grades for comparison purposes, contained inside a resource limiting pit shell that has been generated based on a copper price of US \$3/lb and a molybdenum price of US \$10/lb. The base case resource assumes a cut-off grade of 0.25% copper equivalent.

**Table 1: Sensitivity of Inferred Mineral Resource at Mocoa**

Cut-off (CuEq%)*	Million Tonnes	Copper (%)	Molybdenum (%)	Contained Metal	
				Copper (Blbs)	Molybdenum (Mlbs)
0.15	721	0.31	0.035	4.85	550
0.20	683	0.32	0.035	4.77	530
<b>0.25</b>	<b>636</b>	<b>0.33</b>	<b>0.036</b>	<b>4.60</b>	<b>511</b>
0.30	553	0.35	0.039	4.24	470
0.35	433	0.38	0.042	3.62	405
0.40	330	0.41	0.047	2.99	342
0.45	259	0.44	0.051	2.50	293
0.50	201	0.46	0.056	2.04	248
0.55	148	0.49	0.061	1.60	200
0.60	106	0.52	0.067	1.21	156

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#### MINERAL PROPERTIES (CONTINUED)

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##### **Mocoa Porphyry Copper-Molybdenum Deposit** (continued)

For further details, refer to technical report entitled "NI 43-101 Technical Report for the Mocoa Copper-Molybdenum Project, Colombia", dated effective November 1, 2021, and authored by Michel Rowland, FAusIMM, Robert Sim, P.Geo., and Bruce Davis, FAusIMM, all independent "qualified persons" as defined by Canadian Securities Administrators *National Instrument 43-101 ("NI-43101")*, which is available on [www.sedar.com](http://www.sedar.com).

In October 2021, the company announced the start of exploration at the Mocoa project starting with airborne geophysical and LiDAR surveys. In November 2021, the Company made 32 mining title applications totaling 103,578 hectares extending to the northeast and southwest of the project area. The company also completed land access agreements to support drilling to begin in 2022. An initial 5,000 m diamond drill program commenced at Mocoa in February 2022.

##### **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 as at December 31, 2020. In the first quarter of 2021, the sale to Zacapa Resources Ltd. ("Zacapa", a related party with two common directors) of the option to acquire the Tomichi property from the Company (the "Option") was approved by the independent members of the Company's board. During the period of time when the Company held the Option, no exploration work had been undertaken on the Tomichi property and absent the ability to divest its interest, the Company had determined that it was going to allow the Option to lapse. The Company was able to negotiate the sale of the Option for consideration of 250,000 common shares of Zacapa, which were subsequently split 8:1 resulting in the Company then holding 2,000,000 common shares of Zacapa. The sale price was negotiated between the independent directors of the Company and Zacapa. Zacapa listed on the TSX Venture Exchange on January 26, 2022.

##### **Big Red Porphyry Gold-Copper Property**

In February 2019, the Company closed an option agreement to acquire 100% of the Big Red porphyry gold-copper property in the Golden Triangle in British Columbia, Canada ("Big Red"), and incurred a total of \$196,580 of acquisition costs as at December 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 (subsequent to year-end - paid and issued, respectively); and
- \$300,000 and 200,000 common shares on January 25, 2023.

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

Big Red comprises 20 contiguous claims totaling 26,000 hectares in northwestern British Columbia, 45 kilometres southwest of Telegraph Creek along the Barrington Road. Big Red lies within the Golden Triangle 70 kilometres north of Teck & Newmont's Galore Creek and 80 kilometres west of Newmont's Saddle deposit, and Newcrest's Red Chris mine.

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**MINERAL PROPERTIES (CONTINUED)**

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**Big Red Porphyry Gold-Copper Property (continued)**

At Big Red, the Terry porphyry copper target is peripheral to a distinct large magnetic-high feature over the Limpoke Pluton that coincides with a radiometric potassium anomaly, magnetic low, conductivity high, copper, gold, silver and molybdenum anomalies and a mapped Jurassic aged porphyry intrusion. The discovery hole drilled in Terry in October 2020 returned 120 metres of 0.41% copper equivalent from surface to end of hole including 73 metres of 0.49% copper equivalent from surface. The discovery is located just 8 km from road access.

Mineralization is associated with a porphyritic dyke swarm hosted in intermediate volcanic rocks. Chalcopyrite mineralization occurs as fine disseminations within the porphyritic dykes and volcanic host rocks, with higher concentrations along the margins. Malachite mineralization is present locally along fractures surfaces.

In July 2021 the Company began exploration activities at Big Red focusing on the Terry discovery. Work included 10 diamond drill holes for a total of 4,571 metres drilled. The Company also completed 1.2 km<sup>2</sup> of 3D IP survey, collected 459 soil samples, and completed a new aerial magnetic geophysical survey over the Terry discovery. In December 2021, Hole 28 results were released. Hole 28 was the first diamond drill hole at Terry as a 50 metre step back from the 2020 discovery pad and collared into mineralization at the northwest extent of a large system with mineralization increasing to the east and southeast. The drill hole contains copper mineralization throughout the entire length of 510 metres, including multiple intervals of elevated copper ± silver ± gold. The hole included 118.7 metres of 0.26% Cu, 1.83 g/t Ag, 0.06 g/t Au ended in mineralization with 32 metres of 0.30% Cu, 1.76 g/t Ag, 0.06 g/t Au, and the entire hole was mineralized from surface to the end of hole, 501 metres of 0.18% Cu, 1.23 g/t Ag, 0.04 g/t Au.

**Big Bulk Porphyry Gold-Copper Property**

In January 2021, the Company entered into an option agreement to acquire 100% of the Big Bulk porphyry gold-copper property in the Golden Triangle in British Columbia, Canada ("Big Bulk"). The Company has a five year option until December 31, 2025 to acquire 100% of Big Bulk for \$1,000,000 in cash or the issuance of common shares of the Company. The Company must incur \$750,000 of exploration expenditures (completed) and make the following cash payments of \$625,000 over five years in order to maintain its rights under the option agreement:

- \$50,000 in cash on October 7, 2020 (paid);
- \$75,000 in cash on December 31, 2021 (paid);
- \$100,000 in cash on December 31, 2022;
- \$150,000 in cash on December 31, 2023; and
- \$250,000 in cash on December 31, 2024.

The vendors have retained a 0.5% NSR, 50% of which may be repurchased by the Company at any time for \$100,000. In addition, SA Targeted Investing Corp., a subsidiary of Sandstorm Gold Ltd. is entitled to a 1.5% NSR, which the Company has the right to reduce to a 0.75% NSR upon payment of \$1,000,000.

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**MINERAL PROPERTIES (CONTINUED)**

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**Big Bulk Porphyry Gold-Copper Property (continued)**

Big Bulk is located 50 km southeast of Stewart, BC in the Golden Triangle. Big Bulk is a multiphase late Triassic intrusion hosted in Hazelton and Stuhini volcanics and sediments analogous to Galore Creek and KSM. The project was initially explored by Teck and Canadian Empire from 2001 to 2003. Drilling in 2003 intercepted 21 metres of 0.86% Cu and 0.4 g/t Au from a depth of 12 metres and 53 metres of 0.31% Cu and 0.2 g/t Au from 143 metres depth to end of hole, which was not followed up on. New interpretations indicate that the target is a much larger calc-alkaline porphyry system tilted on its side with higher grade mineralization in a discreet mineralized phase that was not targeted by historic drilling.

At Big Bulk a 1,743 metre diamond drill program was completed in September, which successfully intercepted the targeted mineralized phase over a strike length of 2 km. Intercepts included 37.44 metres of 0.3% Cu, 0.59 g/t Ag, 0.15 g/t Au and 97 metres of 0.19% Cu, 0.97 g/t Ag, 0.18 g/t Au.

**Esperanza Porphyry Gold-Copper Project**

In January 2021, the Company entered into an option agreement with Latin Metals Inc. to earn-in to 70% of the Esperanza porphyry gold-copper project ("Esperanza") in Argentina. The Company must make the following option payments to the original project vendors and incur US \$2,000,000 of exploration expenditures in order to maintain its rights under the option agreement:

- US \$220,000 on July 14, 2021 (*paid*);
- US \$250,000 on December 15, 2021 (*paid*);
- US \$200,000 30 days after a drill permit is issued; No permit has been received to date.
- US \$250,000 6 months after a drill permit is issued;
- US \$600,000 12 months after a drill permit is issued;
- US \$433,000 18 months after a drill permit is issued; and
- US \$450,000 24 months after a drill permit is issued.

Drill permitting is on-going. Upon the exercise of the option, the Company and Latin Metals will form a 70/30 joint venture for the continued exploration and development of the project. In November 2021, the Company entered into an option agreement with Golden Arrow Resources to earn-in to 75% of the Huachi claims adjacent to the Company's existing Esperanza claims. The Company must incur US \$1,000,000 of exploration expenditures over four years from the date that a drill permit is received to exercise the option. Upon the exercise of the option, the Company and Golden Arrow Resources will form a 75/25 joint venture for the continued exploration and development of the project.

Esperanza is located in the Huachi Mining district, San Juan Province, Argentina at an elevation of only 3,200 metres. San Juan also hosts McEwan Mining's Los Azules deposit, Glencore's El Pachon mine and Lundin's Filo del Sol project. The advanced stage Esperanza project is road accessible, contains multiple copper-gold drill targets supported by numerous high-grade surface rock samples across a large alteration footprint and numerous drill intercepts including 387 metres of 0.78% copper equivalent from surface through end of hole. This hole was not followed up on due to market conditions. Mineralization is open at depth and laterally, with priority targets located west and south. There are multiple drill-ready, untested targets.

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**MINERAL PROPERTIES (CONTINUED)**

**Esperanza Porphyry Gold-Copper Project (continued)**

Esperanza lies within the pre-cordillera tectonostratigraphic belt of northern Argentina, in a region dominated by Paleozoic to Lower Mesozoic sedimentary and volcanic rocks. At Esperanza, these rocks are cut by the Cretaceous or Tertiary sub-volcanic stocks and dykes known as the Huachi Intrusions. The miocene mineralization at Esperanza is centered on a large and intense porphyry-style alteration footprint exposed over a 2 km by 1.2 km area where copper and gold mineralization is associated with hypabyssal feldspar porphyry intrusions, an early phase of the Huachi Intrusions. At Esperanza epithermal gold mineralization and porphyry copper-gold mineralization occur together, which suggests overprinting of the two styles, and thus increases the potential for high-grades. Porphyry-style copper mineralization consists of dissemination and fracture fill chalcopyrite with subordinate magnetite and pyrite within a broad potassic alteration envelope. Historical exploration includes diamond drilling, rock and silt sampling, IP, and magnetic geophysics. Rock sampling at surface has defined copper and gold mineralization over much of the project.

For further details, refer to press releases dated January 26, 2021.

**Exploration**

The following is a summary of the Mocoa, Tomichi, Big Red, Big Bulk, and Esperanza exploration expenses for the year ended December 31, 2021 and 2020:

<b>For the year ended December 31, 2021</b>	<b>Mocoa</b>	<b>Tomichi</b>	<b>Big Red</b>	<b>Big Bulk</b>	<b>Esperanza</b>	<b>Total</b>
Drilling	\$ 1,900	\$ -	\$ 2,700,127	\$ 1,207,487	\$ -	\$ 3,909,514
Technical and geological consulting	656,645	-	771,730	258,617	164,288	1,851,280
Geochemical and mapping	10,261	-	1,092,257	216,445	86,622	1,405,585
Field and camp	65,000	31	346,570	50,239	-	461,840
Environmental, social and governance	219,397	-	53,401	1,569	-	274,367
License and permits	67,464	392	2,730	500	-	71,086
Legal and office administration	57,628	-	-	-	-	57,628
Mineral tax recovered	-	-	(32,335)	-	-	(32,335)
<b>Total exploration expenses</b>	<b>\$ 1,078,295</b>	<b>\$ 423</b>	<b>\$ 4,934,480</b>	<b>\$ 1,734,857</b>	<b>\$ 250,910</b>	<b>\$ 7,998,965</b>

<b>For the year ended December 31, 2020</b>	<b>Mocoa</b>	<b>Tomichi</b>	<b>Big Red</b>	<b>Total</b>
Drilling	\$ -	\$ -	\$ 2,965,331	\$ 2,965,331
Geochemical and mapping	-	-	472,402	472,402
Technical and geological consulting	337,465	-	54,572	392,037
License and permits	76,393	11,210	50,038	137,641
Field and camp	35,826	23,517	18,600	77,943
<b>Total exploration expenses</b>	<b>\$ 449,684</b>	<b>\$ 34,727</b>	<b>\$ 3,560,943</b>	<b>\$ 4,045,354</b>

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**RESULTS OF OPERATIONS (CONTINUED)**

**THREE MONTHS ENDED DECEMBER 31, 2021 COMPARED TO THE THREE MONTHS ENDED DECEMBER 31, 2020**

The Company reported a net loss of \$3,788,611 for the three months ended December 31, 2021, compared to a net loss of \$1,191,285 for the three months ended December 31, 2020.

<b>For the year ended</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>	
Exploration	<b>2,667,036</b>	<b>765,222</b>	Increase due to drilling at Big Red and Big Bulk and the commencement of exploration at Mocoa
Investor relations	<b>353,575</b>	<b>126,562</b>	Increase due to expanded investor relations activity.
General and administration	<b>159,297</b>	<b>69,812</b>	Increase due to increased operations including Mocoa
Share-based compensation	<b>288,441</b>	<b>140,757</b>	Increase in number of stock options vested during the year
Deferred income tax recovery	<b>(18,859)</b>	<b>(63,429)</b>	Decrease due to completion of flow-through activity in 2021

**YEAR ENDED DECEMBER 31, 2021 COMPARED TO THE YEAR ENDED DECEMBER 31, 2020**

The Company reported a net loss of \$10,139,191 for the year ended December 31, 2021, compared to a net loss of \$5,489,621 for the year ended December 31, 2020.

Following is an analysis of the significant items and variances between the year ended December 31, 2021 and 2020:

<b>For the year ended</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>	
Exploration	<b>7,998,965</b>	<b>4,045,354</b>	Increase due to drilling at Big Red and Big Bulk and the commencement of exploration at Mocoa
Investor relations	<b>1,177,219</b>	<b>1,030,177</b>	Increase due to expanded investor relations activity.
General and administration	<b>399,646</b>	<b>292,237</b>	Increase due to increased operations including Mocoa
Share-based compensation	<b>973,754</b>	<b>279,283</b>	Increase in number of stock options vested during the year.
Deferred income tax recovery	<b>(496,072)</b>	<b>(662,113)</b>	Decrease due to completion of flow-through activity in 2021



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**SELECTED ANNUAL INFORMATION**

The following table provides select annual information:

	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>	<b>For the year ended December 31, 2019</b>
Net loss	\$10,139,191	\$ 5,489,621	\$ 3,618,874
Basic and diluted loss per share <sup>(1)</sup>	0.23	0.25	0.27
Total assets	7,476,803	2,795,530	2,180,692
Total non-current assets	3,454,703	1,789,516	1,679,797

(1) Basic/Diluted (loss) per share has been adjusted to reflect a 5 for 1 common share consolidation that occurred on February 22, 2021.

The Company does not have any revenue. Net loss increased in 2021 compared to 2020 primarily due to drilling at Big Red, Big Bulk, and the commencement of exploration at Mocoa.

Total assets have increased in 2021 compared with 2020 primarily as a result of financing activity during 2021.

**SUMMARY OF QUARTERLY RESULTS**

Following is a summary of quarterly results for the eight most recently completed quarters. These results are derived from the interim consolidated financial statements of the Company, which are prepared in accordance with IFRS applicable to interim financial statements.

<b>For the three months ended:</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>	<b>June 30, 2021</b>	<b>March 31, 2021</b>
Net loss	\$3,788,610	\$ 4,666,820	\$ 1,413,026	\$ 270,735
Basic and diluted loss per share <sup>(1)</sup>	0.08	0.10	0.03	0.01

<b>For the three months ended:</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>	<b>June 30, 2020</b>	<b>March 31, 2020</b>
Net loss	\$ 1,191,285	\$ 2,696,383	\$ 726,602	\$ 875,351
Basic and diluted loss per share <sup>(1)</sup>	0.04	0.10	0.05	0.05

(1) Basic/Diluted (loss) per share has been adjusted to reflect a 5 for 1 common share consolidation that occurred on February 22, 2021.

The analysis provided in the Results of Operations section above provides information regarding the significant movements during the three months ended December 31, 2021, compared with the three months ended December 31, 2020. During the three months ended September 30, 2020, the Company started incurring exploration expenses on the Big Red property, including soil sampling, rock chip sampling, geological mapping, geophysics and surface drilling. During the three months ended March 31, 2020 and June 30, 2020, net loss decreased compared to the three months ended December 31, 2019 due to the seasonal nature of exploration at Big Red and Big Bulk. During the three months ended September 30, 2020, the Company continued incurring exploration expenses on the Big Red property, including geochemical, mapping and drilling. During the three months ended December 31, 2020, net loss decreased compared to the three months ended September 30, 2020 due to the seasonal nature of exploration at Big Red.

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**LIQUIDITY AND CAPITAL RESOURCES**

<b>As at</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Working capital <sup>(1)</sup>	\$ 3,230,461	\$ 553,032	\$ 298,977
Total assets	7,476,803	2,795,530	2,180,692
Total liabilities	903,102	646,597	416,945
Share capital	25,527,872	13,633,487	9,406,458
Contributed surplus	6,319,734	3,655,856	2,008,078
Deficit	(25,279,601)	(15,140,410)	(9,650,789)

(1) Working capital is calculated as current assets less current liabilities

The Company had cash and cash equivalents of \$3,397,568 as at December 31, 2021 (December 31, 2020: \$891,798) and a working capital of \$3,230,461 (December 31, 2020: \$553,032).

At present, the Company has no operations that generate cash flow and its financial success is dependent on the Company's ability to successfully acquire mineral properties and develop economically viable mineral deposits, and to raise required funding through future equity issuances, asset sales, or a combination thereof.

The Company relies on equity financings and the exercise of options and warrants to fund its mineral property acquisitions, exploration activities, and its general and administrative expenses. During the year ended December 31, 2021, the Company closed a non-brokered private placement for aggregate gross proceeds of \$3,000,000 a flow-through financing for gross proceeds of \$4,000,000 and closed two tranches of a non-brokered private placement for gross proceeds of \$4,800,000. Subsequent to December 31, 2021, the Company closed the third and final tranche of the non-brokered private placement for gross proceeds of \$3,500,000.

Many factors influence the Company's ability to raise funds, including the health of global commodity prices, the climate for mineral exploration investment, the Company's track record, and the experience and quality of its management team. Actual funding requirements may vary from those expected due to a number of factors, including the progress of exploration activities.

There is no guarantee that the Company will be able to secure additional financing in the future or at terms that are favourable to the Company. To date, the Company has not used debt to further its exploration programs, and the Company has no plans to use debt financing at the present time.

**OUTSTANDING SHARE DATA**

**Common shares**

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. All share, options, warrants and per share information has been adjusted retroactively to reflect the consolidation.

As at December 31, 2021, the Company had 56,447,813 common shares issued and outstanding (December 31, 2020: 29,683,683). As at the date of this MD&A, the Company had 64,317,433 common shares issued and outstanding.

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**OUTSTANDING SHARE DATA (CONTINUED)**

**Warrants**

As at December 31, 2021, the Company had 19,546,681 warrants outstanding.

Subsequent to December 31, 2021, the Company closed the third tranche of the non-brokered private placement. 3,500,000 warrants were issued from this tranche at an exercise price of \$0.75 per warrant. Each full Warrant issued in this final tranche entitles the holder to purchase one common share at a price of \$0.75 until January 26, 2024. 639,620 warrants were exercised at a weighted average price of \$0.75 for proceeds of \$479,715, and a total of 900,000 warrants expired, resulting in 21,617,061 warrants outstanding at the date of this MD&A.

**Share purchase options**

As at December 31, 2021, the Company had 5,095,000 options outstanding. Subsequent to December 31, 2021, 150,000 options were exercised at an weighted average exercise price of \$0.47 per option for total proceeds of \$70,000, 20,000 options were forfeited, and 1,075,000 options were issued resulting in 6,000,000 options outstanding as at the date of this MD&A.

**TRANSACTIONS WITH RELATED PARTIES**

Key management, directors, and officers received the following salaries and benefits during the year ended December 31, 2021 and 2020:

<b>For the year ended</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Employee salaries and benefits	\$ 264,492	\$ 332,232
Share-based compensation	629,377	197,032
	<b>\$ 893,869</b>	<b>\$ 529,264</b>

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 year ended December 31, 2021 and 2020:

<b>For the year ended</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Purchases:</b>		
Accounting and legal costs recharged from a company controlled by director Ian Slater	\$ 195,000	\$ 180,000
Legal fees to Farris LLP in which director Jay Sujir is a partner	\$ 137,661	\$ 33,304
Geological consulting fees paid to Serac Exploration a company with two common directors, Ian Slater, and Bradley Rourke.	\$ 285,064	\$ -
<b>Amounts owed to:</b>		
Farris LLP in which director Jay Sujir is a partner	\$ 107,983	\$ 2,243
Serac Exploration Ltd, a company with two common directors, Ian Slater, Bradley Rourke	\$ 2,295	\$ -

The amounts owed to directors, officers and companies controlled by directors and officers of the Company is non-interest bearing and due on demand.

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**FINANCIAL INSTRUMENTS**

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Refer to note 17 of the Company's audited consolidated financial statements for the year ended December 31, 2020, for disclosure regarding the Company's financial instruments. The Company's cash and cash equivalents and amounts receivable are financial assets at amortized cost and accounts payable and accrued liabilities are financial liabilities at amortized cost.

**Fair value**

The fair values of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments. The Company currently has no financial instruments measured at fair value.

**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.

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, 2021, the maximum exposure thereto is \$3,397,568 (December 31, 2020: \$891,798).

**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 list below shows the company's foreign currency risk:

<b>FY 2021</b>	<b>USD</b>	<b>COP</b>
Cash	7,484	5,074,105
Amounts Receivable	14,623	76,496,768
Prepaid Expense	9,734	-
Accounts Payable and Accrued Liabilities	(49,150)	(609,778,948)
Lease Liability	-	(134,903,946)
	<b>(17,309)</b>	<b>(663,112,021)</b>

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**FINANCIAL INSTRUMENTS (CONTINUED)**

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”).

The Company also has transactional currency exposures such as the various working capital requirements for the Mocoa deposit and Esperanza project. Such exposures arise from purchases in currencies other than Canadian or US dollars. The Company manages this risk by matching receipts and payments in the same currency and monitoring the movements in foreign currency.

A 10% change in the average exchange rate for the year, with all other variables held constant, would have the following impact on the Company’s net loss:

	10% change in USD		10% change in COP	
Change in net loss	\$	2,194	\$	21,117

**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 it has sufficient liquidity to meet liabilities when due. During the year ended December 31, 2021, the Company relied on equity financings and the exercise of options and warrants to fund its mineral property acquisitions, exploration activities, and its general and administrative expenses. During the year ended December 31, 2021, the Company closed a non-brokered private placement for aggregate gross proceeds of \$3,000,000 a flow-through financing for gross proceeds of \$4,000,000 and closed two tranches of a non-brokered private placement for aggregate gross proceeds of \$4,800,000. Subsequent to December 31, 2021, the Company closed the third and final tranche of the non-brokered private placement for gross proceeds of \$3,500,000.

**CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS**

The Company has to make cash payments in order to meet the terms of the option agreements entered into to purchase Big Red, Big Bulk and Esperanza as described in note 5 and note 17 of the audited consolidated financial statements for the year ended December 31, 2021 and in the “Mineral Properties” section of this MD&A.

The following is a summary of the commitments:

	Less than 1 year	1 - 5 years	More than 5 years	Total
Office lease	\$ 55,284	\$ 74,854	\$ -	\$ 130,138
Other	25,122	15,851	-	40,973
	\$ 80,406	\$ 90,705	\$ -	\$ 171,111

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.

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**CONTINGENCIES**

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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.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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The accounting estimates and judgments considered to be significant to the Company include the carrying values of mineral properties.

Management reviews the carrying values of its mineral properties every quarter, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. Capitalized costs in respect of the Company's mineral properties amounted to \$1,965,850 as at December 31, 2021. These costs may ultimately prove not to be recoverable and there is a risk that these costs may be written down in future periods. Management has performed their assessment and no impairment of its assets exist as at December 31, 2021.

**INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES**

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As permitted, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and respective accompanying Management's Discussion and Analysis. In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

**APPROVAL**

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The Board of Directors of the Company has approved the disclosure contained in this MD&A on April 29, 2022.

A copy of this MD&A is filed on SEDAR.

## LIBERO COPPER & GOLD CORPORATION

### Management's Discussion and Analysis

For the year ended December 31, 2021

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#### FORWARD-LOOKING INFORMATION

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This MD&A contains "forward-looking information" (also referred to as "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this MD&A, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic, and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: potential acquisitions, financing of the Company's acquisitions and other activities, exploration, development and operation of mining properties, and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors, including those set out below, that may never materialize, prove incorrect, or materialize other than as currently contemplated, which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact, and may be forward-looking statements.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation:

- the ability of the Company to successfully acquire mining assets;
- access to funding to support the Company's strategic plans and/or operating activities in the future;
- the volatility of currency exchange rates, metal prices, and metal production;
- the continued participation in the Company of certain key employees; and
- risks normally incident to the acquisition, exploration, development, and operation of mining properties.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and forward-looking oral statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events, or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies which unless specifically incorporated herein are not part of this MD&A; these filings can be viewed online at [www.sedar.com](http://www.sedar.com).