LIBERO COPPER & GOLD CORPORATION

Unaudited condensed interim consolidated financial statements

For the three and six months ended June 30, 2023 and 2022

LIBERO COPPER & GOLD CORPORATION

Unaudited condensed interim consolidated statement of financial position

(expressed in Canadian dollars)

As at	Notes	June 30, 2023	December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents		73,718	66,432
Restricted cash		50,000	50,000
Amounts receivable		348,201	260,716
Prepaid expenses		106,400	80,864
		578,319	**458,012**
Non-current assets			
Property, plant and equipment	3	675,136	795,423
Mineral properties	4	3,047,991	2,413,321
Investments	5	70,000	180,000
Other receivables	6	104,081	104,081
		3,897,208	**3,492,825**
Total assets		**4,475,527**	**3,950,837**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	954,477	591,533
Flow-through share premium liability	10	112,341	126,400
Current portion of lease liability	8	86,428	141,439
Loans from related parties	11	341,490	-
		1,494,736	**859,372**
Non-current liabilities			
Lease liability	8	190,628	188,137
		190,628	**188,137**
Total liabilities		**1,685,364**	**1,047,509**
SHAREHOLDERS' EQUITY			
Share capital	9	35,905,281	33,507,032
Contributed surplus		9,488,698	8,338,169
Accumulated other comprehensive income		23,358	63,785
Deficit		(42,627,174)	(39,005,658)
Total shareholders' equity		**2,790,163**	**2,903,328**
Total liabilities and shareholders' equity		**4,475,527**	**3,950,837**
Going concern	1		
Subsequent events	14		

On behalf of the Board of Directors:

(signed) "Jay Sujir"
Director

(signed) "Ian Slater"
Director

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

LIBERO COPPER & GOLD CORPORATION

Unaudited condensed interim consolidated statements of loss and comprehensive loss

(expressed in Canadian dollars)

	Notes	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
EXPENSES					
Exploration	5	$ 1,105,574	$ 2,576,376	$ 2,154,298	$ 4,461,417
Share-based compensation	9(c)	26,397	307,989	106,473	743,302
Investor relations		159,155	335,847	415,816	549,494
General and administration		124,005	148,042	321,842	318,789
Salaries and benefits		136,760	159,770	277,730	270,789
Professional fees		75,482	16,285	146,989	122,659
Depreciation	3	50,818	62,400	110,618	113,771
Total operating expenses		**1,678,191**	**3,606,709**	**3,533,766**	**6,580,221**
OTHER (INCOME) EXPENSES					
Loss on investments	5	150,000	580,000	110,000	300,000
Foreign exchange loss (gain)		3,089	7,502	(24,164)	27,422
Interest and other expense		7,273	58,628	15,974	75,698
Loss before income taxes		1,838,553	4,252,839	3,635,576	6,983,341
Deferred income tax recovery		(1,941)	-	(14,060)	-
Net loss for the period		$ **1,836,612**	$ **4,252,839**	$ **3,621,516**	$ **6,983,341**
Other comprehensive income					
Foreign currency translation difference for foreign operations		39,412	(18,310)	40,427	(18,698)
Total comprehensive loss for the period		$ **1,876,024**	$ **4,234,529**	$ **3,661,943**	$ **6,964,643**
Basic and diluted loss per share		$ 0.02	$ 0.07	$ 0.04	$ 0.11
Weighted average number of common shares outstanding		99,308,404	64,134,989	98,741,624	62,824,460

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

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

	Notes	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2021		**56,447,813**	**$ 25,527,872**	**$ 6,319,734**	**$ 5,696**	**$ (25,279,601)**	**$ 6,573,701**
Private placement, gross proceeds	9(a),(b)	7,000,000	2,789,598	710,402	-	-	3,500,000
Share issue costs		-	(31,154)	-	-	-	(31,154)
Shares issued for mineral property acquisition, net of share issue costs	9(a)	80,000	38,600	-	-	-	38,600
Warrants exercised	9(b)	639,620	605,598	(125,883)	-	-	479,715
Share purchase options exercised	9(b)	150,000	126,363	(56,363)	-	-	70,000
Share-based compensation	9(c)	-	-	743,302	-	-	743,302
Foreign exchange translation		-	-	-	18,698	-	18,698
Net loss for the period		-	-	-	-	(6,983,341)	(6,983,341)
Balance June 30, 2022		**64,317,433**	**$ 29,056,877**	**$ 7,591,192**	**$ 24,394**	**$ (32,262,942)**	**$ 4,409,521**
Balance, December 31, 2022		**84,732,103**	**$ 33,507,032**	**$ 8,338,169**	**$ 63,785**	**$ (39,005,658)**	**$ 2,903,328**
Share issuance, gross proceeds	9(a),(b)	25,506,000	2,712,143	986,200	-	-	3,698,343
Share issue costs		-	(338,894)	57,856	-	-	(281,038)
Shares issued for mineral property acquisition, net of share issue costs	9(a)	200,000	25,000	-	-	-	25,000
Share-based compensation	9(c)	-	-	106,473	-	-	106,473
Foreign exchange translation		-	-	-	(40,427)	-	(40,427)
Net loss for the period		-	-	-	-	(3,621,516)	(3,621,516)
Balance, June 30, 2023		**110,438,103**	**$ 35,905,281**	**$ 9,488,698**	**$ 23,358**	**$ (42,627,174)**	**$ 2,790,163**

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

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

For the six months ended	Notes	June 30, 2023	June 30, 2022
OPERATING ACTIVITIES			
Net loss for the period		**(3,621,516)**	**(6,983,341)**
Adjustments for items not involving cash:			
Share-based compensation	9(c)	106,473	743,302
Depreciation	3	110,618	113,771
Interest expense, net		18,508	25,829
Other receivables		-	(16,000)
Foreign exchange loss (gain)		(24,164)	27,817
Gain on investments		110,000	300,000
Deferred income tax recovery		(14,060)	-
		(3,314,141)	**(5,788,622)**
Net changes in non-cash working capital items:			
Amounts receivable		(87,485)	67,325
Prepaid expenses		(25,534)	(331,276)
Accounts payable and accrued liabilities		410,122	289,878
Net cash outflows from operating activities		**(3,017,038)**	**(5,762,695)**
FINANCING ACTIVITIES			
Proceeds from issuance of shares	9(a),(b)	3,698,343	3,500,000
Share issue costs		(281,038)	(31,154)
Proceeds from exercise of warrants and share purchase options	9(b),(c)	-	549,715
Proceeds from loan	11	340,000	-
Cash principal and interest payments of lease liability	8	(81,711)	(94,441)
Net cash inflows from financing activities		**3,675,594**	**3,924,120**
INVESTING ACTIVITIES			
Purchase of property, plant, and equipment	3	(1,173)	(245,893)
Acquisition of mineral properties	4	(631,300)	(29,701)
Net cash outflows from investing activities		**(632,473)**	**(275,594)**
Effect of exchange rate changes on cash		(18,797)	(1,264)
Net (decrease) increase in cash and cash equivalents		**7,286**	**(2,115,433)**
Cash and cash equivalents, beginning of the period		66,432	3,397,568
Cash and cash equivalents, end of the period		**73,718**	**1,282,135**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Libero Copper & Gold Corporation ("Libero" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on June 5, 2008.

The address and domicile of the Company's registered office and its principal place of business is Suite 905 - 1111 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2JE. The Company is engaged in the acquisition and exploration of mineral properties.

The Company is in the process of exploring and evaluating its mineral property assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and continuance of operations is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and maintain sufficient working capital, and upon future production or proceeds from the disposition thereof.

Going Concern

The Company's unaudited interim financial statements are prepared on a going concern basis, which contemplates that the Company will continue its operations for at least twelve months from June 30, 2023 and will be able to realize its assets and discharge its liabilities in the normal course of business.

As at June 30, 2023, the Company had cash and cash equivalents of $73,718 and a working capital deficit of $916,417. For the six months ended June 30, 2023, the Company incurred a loss of $3,621,516 and used cash in operations of $3,017,038.

The Company has not generated revenue from operations to date and will require additional financing or outside participation to undertake further exploration and subsequent development of its mineral properties. There can be no assurance that the Company will be able to raise sufficient financing on acceptable terms. Future operations of the Company are dependent upon its ability to raise additional equity financing, maintain sufficient working capital and upon future production or proceeds from the disposition of its mineral property interests. These factors represent material uncertainties that give rise to significant doubt as to whether the Company will be able to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34 - Interim Financial Reporting, and, accordingly, they do not contain all information and disclosures required for complete financial statements in accordance with IFRS. Therefore, they should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS.

The unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for investments that are measured at fair value, and are presented in Canadian dollars and follow the same accounting policies and methods of application as the most recent annual financial statements.

The unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2023, were authorized for issue by the Board of Directors on August 24, 2023.

3. PROPERTY, PLANT AND EQUIPMENT

	Leases (note 8)	Leasehold improvements	Office equipment	Machinery and equipment	Computer hardware	Total
Cost						
Balance, January 1, 2022	$ **407,328**	$ **25,826**	**$ 10,622**	$ **175,321**	$ **15,333**	**$ 634,430**
Additions	370,399	-	12,820	173,131	76,614	632,964
Disposals	-	-	(380)	-	-	(380)
Balance, December 31, 2022	$ **777,727**	$ **25,826**	$ **23,062**	$ **348,452**	$ **91,947**	**$ 1,267,014**
Adjustment	(10,842)	-	-	-	-	(10,842)
Additions	-	-	-	-	1,173	1,173
Balance, June 30, 2023	$ 766,885	$ 25,826	$ 23,062	$ 348,452	$ 93,120	**$ 1,257,345**
Accumulated depreciation						
Balance, January 1, 2022	$ **(219,665)**	$ **(12,266)**	$ **(2,252)**	$ **(4,419)**	$ **(770)**	$ **(239,372)**
Depreciation	(166,857)	(5,016)	(1,884)	(47,122)	(11,340)	(232,219)
Balance, December 31, 2022	$ **(386,522)**	$ **(17,282)**	$ **(4,136)**	$ **(51,541)**	$ **(12,110)**	$ **(471,591)**
Depreciation	(78,209)	(2,474)	(1,237)	(21,391)	(7,307)	(110,618)
Balance, June 30, 2023	**$ (464,731)**	**$ (19,756)**	**$ (5,373)**	**$ (72,932)**	**$ (19,417)**	**$ (582,209)**
Net book value, June 30, 2023	$ **302,154**	$ **6,070**	$ **17,689**	$ **275,520**	$ **73,703**	$ **675,136**
Net book value, December 31, 2022	$ 391,205	$ 8,544	$ 18,926	$ 296,911	$ 79,837	$ 795,423
Net book value, January 1, 2022	$ 187,663	$ 13,560	$ 8,370	$ 170,902	$ 14,563	$ 395,058

(expressed in Canadian dollars, unless otherwise stated)

4. MINERAL PROPERTIES

Mineral properties consist of all direct costs, including option payments and transaction costs, incurred by the Company to acquire its mineral properties and to maintain its ownership rights. Mineral properties balances changed during the six months ended June 30, 2023, as follows:

	Mocoa	Big Red	Big Bulk	Esperanza	Total
Balance, December 31, 2021	**$ 970,388**	**$ 196,580**	**$ 177,916**	**$ 626,680**	**$ 1,971,564**
Acquisition	-	88,400	50,000	272,800	411,200
Donated land	(20,299)	-	-	-	(20,299)
Effect of foreign exchange translation	-	-	-	50,856	50,856
Balance, December 31, 2022	**$ 950,089**	**$ 284,980**	**$ 227,916**	**$ 950,336**	**$ 2,413,321**
Acquisition	-	325,000	-	331,300	656,300
Effect of foreign exchange translation	-	-	-	(21,630)	(21,630)
Balance, June 30, 2023	**$ 950,089**	**$ 609,980**	**$ 227,916**	**$ 1,260,006**	**$ 3,047,991**

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., in return for the issuance of 2,080,000 common shares of the Company and a 2% net smelter return royalty ("NSR royalty"). The Mocoa Project is also subject to a retained 1% NSR royalty held by its previous owner, AngloGold Ashanti Limited ("AGA").

Big Red Porphyry Gold-Copper Property

In February 2019, the Company entered into 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 $609,980 of acquisition costs as at June 30, 2023 (December 31, 2022: $284,980). The Company exercised the option and acquired 100% of Big Red in return for the issuance of 400,000 common shares of the Company and cash payments of $440,000 over four years (the "Option") as follows:

- $20,000 and 20,000 common shares on January 25, 2019 *(paid and issued, respectively)*;
- $30,000 and 40,000 common shares on January 25, 2020 *(paid and issued, respectively)*;
- $40,000 and 60,000 common shares on January 25, 2021 *(paid and issued, respectively);*
- $50,000 and 80,000 common shares on January 25, 2022*(paid and issued, respectively);*
- $300,000 and 200,000 common shares on January 25, 2023*(paid and issued, respectively)*.

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

4. MINERAL PROPERTIES (CONTINUED)

Big Bulk Porphyry Copper-Gold Property

In January 2021, the Company acquired the option to acquire 100% of the Big Bulk porphyry copper-gold property in the Golden Triangle in British Columbia, Canada ("Big Bulk"). Under the terms of the option agreement, which was amended on October 14, 2022, the Company has until December 31, 2026, to acquire 100% of Big Bulk under the amended payment terms as expressed below:

(a) pay $50,000 in cash on or before December 31, 2022; (paid)
(b) pay $50,000 in cash on or before December 31, 2023;
(c) pay $150,000 in cash on or before December 31, 2024;
(d) pay $250,000 in cash on or before December 31, 2025; and
(e) pay $1,000,000 in cash or common shares on or before December 31, 2026.

The vendors have retained a 0.5% NSR, 50% of which may be repurchased by the Company for $100,000. In addition, Sandstorm Gold Ltd. is entitled to a 1.5% NSR, 50% of which may be repurchased by the Company for $1,000,000.

Esperanza Porphyry Copper-Gold Project

In January 2021, the Company entered into an option agreement with Latin Metals Inc. to earn-in to 70% of the Esperanza porphyry copper-gold project ("Esperanza") in San Juan, Argentina which was amended on May 26, 2021 and October 19, 2022. Under the revised terms, the option payments are:

- US $220,000 on July 14, 2021 *(paid)*;
- US $250,000 on December 15, 2021 (*paid*);
- US $200,000 on December 20, 2022 (*paid*);
- US $250,000 on June 10, 2023 (paid);
- US $600,000 on December 10, 2023;
- US $433,000 on June 10, 2024; and
- US $450,000 on December 10, 2024.

(expressed in Canadian dollars, unless otherwise stated)

4. MINERAL PROPERTIES (CONTINUED)

Esperanza Porphyry Copper-Gold Project (Continued)

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 Esperanza claims. The Company must incur US $1,000,000 of exploration expenditures over four years from the date that a drill permit is received. Upon the exercise of the option, the Company and Golden Arrow Resources will form a 75/25 joint venture for the continued exploration and development of the project.

Exploration

The following is a summary of the Mocoa, Big Red, Big Bulk, and Esperanza exploration expenses for the three and six months ended June 30, 2023, and 2022:

For the three months ended June 30, 2023	Mocoa	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	$ 635,318	$ (5,142)	$ 13,955	$ 119,103	$763,234
Field and camp	141,738	6,039	-	-	147,777
Drilling	50,972	955	-	-	51,927
Travel	65,115	-	-	-	65,115
Geochemical and mapping	9,428	13,192	380	-	23,000
Legal and office administration	29,548	1,218	1,915	808	33,489
Environmental, social and governance	20,695	50	-	-	20,745
	$952,814	$16,312	$16,250	$119,911	$1,105,287
Foreign exchange translation	-	-	-	287	287
Total exploration expenses	**$ 952,814**	**$ 16,312**	**$ 16,250**	**$ 120,198**	**$1,105,574**

For the six months ended June 30, 2023	Mocoa	Big Red	Big Bulk	Esperanza	Total
Technical and geological consulting	$ 1,217,838	$ 73,187	$ 23,055	$ 178,899	$1,492,979
Field and camp	270,372	10,020	-	-	280,392
Drilling	129,994	955	-	-	130,949
Travel	115,769	-	-	-	115,769
Geochemical and mapping	9,428	21,124	680	-	31,232
Legal and office administration	64,790	2,836	1,915	982	70,523
Environmental, social and governance	32,117	50	-	-	32,167
	$1,840,308	$108,172	$25,650	$179,881	$2,154,011
Foreign exchange translation	-	-	-	287	287
Total exploration expenses	**$1,840,308**	**$ 108,172**	**$ 25,650**	**$ 180,168**	**$2,154,298**

(expressed in Canadian dollars, unless otherwise stated)

4. MINERAL PROPERTIES (CONTINUED)

Exploration (continued)

For the three months ended June 30, 2022	**Mocoa**	**Big Red**	**Big Bulk**	**Esperanza**	**Total**
Technical and geological consulting	$ 969,749	$ 310,177	$ 15,077	$ 151,587	$1,446,590
Field and camp`	186,320	248,234	-	-	434,554
Drilling	166,078	30,645	-	-	196,723
Geochemical and mapping	14,416	235,255	-	-	249,671
Legal and office administration	191,018	7,220	-	-	198,238
Environmental, social and governance	48,711	-	-	-	48,711
License and permits	633	-	-	-	633
	$1,576,925	$831,531	15,077	151,587	$2,575,120
Foreign exchange translation	-	-	-	1,256	1,256
Total exploration expenses	**$1,576,925**	**$ 831,531**	**$ 15,077**	**$ 152,843**	**$2,576,376**

For the six months ended June 30, 2022	**Mocoa**	**Big Red**	**Big Bulk**	**Esperanza**	**Total**
Technical and geological consulting	$ 1,898,722	$ 330,246	$ 17,002	$ 239,007	$2,484,977
Field and camp	388,750	248,234	-	-	636,984
Drilling	436,443	112,879	-	-	549,322
Geochemical and mapping	121,872	242,724	-	-	364,596
Legal and office administration	262,360	7,220	-	-	269,580
Environmental, social and governance	148,420	-	-	-	148,420
License and permits	21,932	738	(16,000)	-	6,670
	$3,278,499	942,041	1,002	239,007	$4,460,549
Foreign exchange translation	-	-	-	868	868
Total exploration expenses	**$ 3,278,499**	**$ 942,041**	**$ 1,002**	**$ 239,875**	**$ 4,461,417**

(expressed in Canadian dollars, unless otherwise stated)

5. INVESTMENTS

In January 2021, the Company closed a transaction with Zacapa Resources Ltd. ("Zacapa"), a related party with 2 common directors, to sell Libero Mining Limited, a company incorporated in Delaware, USA, which held the option to acquire Tomichi, in return for the issuance of 2,000,000 Zacapa shares to the Company.

Balance, January 1, 2022	$	**1,000,000**
Fair value (loss) (Zacapa closing price of $0.09 per share at December 31, 2022)		(820,000)
Balance, December 31, 2022		**180,000**
Fair value adjustment (Zacapa closing price of $0.11 per share at March 31, 2023)		40,000
Balance, March 31, 2023		**220,000**
Fair value adjustment (Zacapa closing price of $0.035 per share at June 30, 2023)		(150,000)
Balance, June 30, 2023	$	**70,000**

The Company measured the Zacapa common shares at fair value using the quoted market price per share traded on the TSX Venture Exchange ("TSX-V") which was $0.035 per share as at June 30, 2023. The fair value was determined to be $70,000, resulting in an unrealized loss of $110,000 in the statement of profit and loss.

6. OTHER RECEIVABLES

As at		June 30, 2023	December 31, 2022
Reclamation bond – Big Red	$	60,000	60,000
Reclamation bond – Big Bulk		16,000	16,000
Security deposit – Office Lease		28,081	28,081
Total	$	**104,081**	**104,081**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at		June 30, 2023	December 31, 2022
Trade payables	$	807,440	395,892
Other accrued liabilities		147,037	195,641
Total	$	**954,477**	**591,533**

(expressed in Canadian dollars, unless otherwise stated)

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY

On March 1, 2019, the Company entered into a 5 year corporate office lease and recorded a right-of-use asset of $313,605 within property, plant and equipment (note 3) and a corresponding lease liability of $313,605. The incremental borrowing rate for the lease liability recognized as of March 1, 2019 was 6.5%.

During the year ended December 31, 2022, the Company's 100% owned subsidiary in Colombia entered into several leases relating to housing in Mocoa for the Company's contractors working on site and extended the office leases in Bogota, as well as storage facilities in the Medellin and Mocoa areas. The term for the leases is between 2 and 5 years up to 2027. The Company recorded a right-of-use asset of $370,399 within property, plant and equipment (note 3). The Company recorded a corresponding net lease liability of $370,399. The incremental borrowing rate for the lease liability recognized as of December 31, 2022, was 12.5%.

During the period ended June 30, 2023, the Company recorded a right-of-use asset of $6,227 within property, plant and equipment (note 3). The Company recorded a corresponding net lease liability of $17,069. The incremental borrowing rate for the lease liability recognized as of June 30, 2023, was 12.5%.

		Lease liability
Balance, December 31, 2021	$	**193,636**
Additions		370,399
Cash principal and interest payments		(202,630)
Interest expense		43,360
Foreign exchange differences		(75,189)
Balance, December 31, 2022	$	**329,576**
Adjustment		(10,842)
Cash principal and interest payments		(81,711)
Interest expense		17,018
Foreign exchange differences		23,015
Balance, June 30, 2023		**277,056**
Current portion of lease liability		86,428
Long-term portion of lease liability	$	**190,628**

9. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

During the period ended June 30, 2023, the Company:

- Closed the final tranche of the 2022 non-brokered private placement. A total of 5,936,666 units were issued at a price of $0.15 per unit for gross proceeds of $890,500. Total gross proceeds received from the two tranches of the 2022 private placement were $12,583,666. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional share at a price of $0.22 until expiry on January 6, 2025;
- Issued 200,000 common shares with a fair value of $25,000 in accordance with the Big Red option agreement (note 4);
- Completed a non-brokered private placement. A total of 16,533,334 units were issued at a price of $0.15 per unit for gross proceeds of $2,480,000. Each unit is comprised of one common share (each, a "Common Share") and one common share purchase warrant. Each warrant issued entitles the holder thereof to purchase one common share at a price of $0.22 until February 17, 2025; and

(expressed in Canadian dollars, unless otherwise stated)

9. SHARE CAPITAL (CONTINUED)

a) Authorized share capital (continued)

Issued 3,036,000 common shares under its at-the-market equity program (the "ATM Program") for gross proceeds of $327,842. The ATM Program was established on March 22, 2023, and allows the Company to issue and sell, at its discretion, up to $5,000,000 of common shares in the capital of the Company to the public from time to time at the prevailing market price when the common shares are issued.

As at June 30, 2023, the Company had 110,438,103 common shares issued and outstanding.

b) Warrants

On January 06, 2023, a total of 6,014,666 share purchase warrants (including 78,000 non-transferrable broker warrants) were issued as part of a private placement of units. Each warrant entitles the holder to acquire one common share at a price of $0.22 per share until January 6, 2025.

On February 17, 2023, a total of 17,301,034 share purchase warrants (including 767,700 non-transferrable broker warrants) were issued as part of a private placement of units. Each warrant entitles the holder to acquire one common share at a price of $0.22 per share until February 17, 2025.

On February 22, 2023, a total of 6,342,445 share purchase warrants with an exercise price of $0.75 expired unexercised.

Information regarding warrants outstanding at June 30, 2023 is as follows:

	Warrants outstanding	Weighted average exercise price
Outstanding, December 31, 2021	**19,546,681**	**0.75**
Issued	10,424,500	0.40
Exercised	(639,620)	0.75
Expired	(7,824,416)	0.75
Outstanding, December 31, 2022	**21,507,145**	**0.58**
Issued	23,315,700	0.22
Expired	(6,342,445)	0.75
Outstanding, June 30, 2023	**38,480,400**	**$0.33**

As at June 30, 2023 the Company had 38,480,400 warrants outstanding (see table below), with an average exercise price of $0.33 and a weighted average remaining life of 1.35 years.

Expiry date	Warrants outstanding	Weighted average exercise price	Weighted average remaining life (years)
December 1, 2023	1,840,000	0.75	0.42
December 1, 2023	100,200	0.50	0.42
December 22, 2023	2,800,000	0.75	0.48
January 26, 2024	3,500,000	0.75	0.58
December 30, 2024	6,924,500	0.22	1.50
January 6, 2025	6,014,666	0.22	1.52
February 17, 2025	17,301,034	0.22	1.64
	38,480,400	**0.33**	**1.35**

(expressed in Canadian dollars, unless otherwise stated)

9. SHARE CAPITAL (CONTINUED)

b) Warrants (continued)

During the six months ended June 30, 2023, the Company recorded a fair value of $986,200 (June 30, 2022: $710,402) within contributed surplus, for the issue of 23,315,700 (June 30, 2022: 3,500,000) warrants based on the Black Scholes model with the following weighted average variables.

	June 30, 2023	June 30, 2022
Risk free interest rate	1.88%	1.26%
Expected volatility	92%	117.7%
Expected life (years)	2	2
Expected dividends (yield)	0%	0%
Fair value per warrant	**0.06**	**0.25**

c) Share Purchase Options

Information regarding share purchase options outstanding at June 30, 2023 and changes for the six months ended June 30, 2023 are as follows:

	Options outstanding	Weighted average exercise price
Outstanding, December 31, 2021	**5,095,000**	**0.50**
Granted	3,125,000	0.33
Exercised	(150,000)	0.47
Expired	(310,000)	0.51
Forfeiture	(370,000)	0.41
Outstanding, December 31, 2022	**7,390,000**	**0.48**
Forfeiture	(25,000)	0.26
Expired	(75,000)	0.26
Outstanding, June 30, 2023	**7,290,000**	**0.45**

Information regarding share purchase options outstanding and exercisable at June 30, 2023 is as follows:

Expiry date	Options outstanding	Options exercisable		Exercise price	Weighted average remaining life (years)
December 11, 2023	660,000	660,000		0.48	0.45
April 5, 2024	200,000	200,000		0.56	0.77
October 2, 2024	250,000	250,000		0.77	1.26
December 17, 2025	1,330,000	1,330,000		0.40	2.47
April 13, 2026	500,000	500,000		0.58	2.79
December 24, 2026	1,575,000	1,575,000		0.52	3.49
February 15, 2027	200,000	200,000		0.50	3.63
February 15, 2027	575,000	575,000		0.54	3.63
February 15, 2027	250,000	250,000		0.67	3.63
February 15, 2027	25,000	25,000		0.32	3.63
October 14, 2027	1,725,000	1,275,000		0.19	4.29
	7,290,000	**6,840,000**	$	**0.45**	**3.04**

(expressed in Canadian dollars, unless otherwise stated)

9. SHARE CAPITAL (CONTINUED)

c) Share Purchase Options (continued)

No options were granted for the six months ended June 30, 2023. The fair value of the options granted for six months ended June 30, 2022 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	June 30, 2022
Risk free interest rate	1.96%
Expected volatility	115.02%
Expected life (years)	5
Expected dividends (yield)	0%
Fair value per option	**0.45**

Share-based compensation expense related to share purchase options for the three and six ended June 30, 2023, was $26,397, and $106,473, respectively (June 30, 2022: $307,989; $743,302) and has been recorded in the consolidated statements of loss and comprehensive loss.

10. FLOW-THROUGH SHARE PREMIUM LIABILITY

The following is a continuity schedule of the liability portion of the Company's flow-through share issuances:

	Flow-through share premium liability
Balance, December 31, 2021	-
Liability incurred on flow-through shares issued	473,572
Settlement of flow-through share premium liability upon incurring qualifying expenses	(347,172)
Balance, December 31, 2022	126,400
Settlement of flow-through share premium liability upon incurring qualifying expenses	(14,059)
Balance, June 30, 2023	**112,341**

On August 5, 2022, the Company closed a flow-through private placement. This consisted of 10,867,670 flow-through common shares at a price of $0.33 per share, for aggregate gross proceeds of $3,586,331. As at June 30, 2023, the Company incurred a total of $106,468 (June 30, 2022: nil) in exploration expenditures on the Big Red project which were qualifying flow-through expenditures. The Company derecognized the associated flow-through share premium liability and recognized a deferred income tax recovery of $14,059 (June 30, 2022: nil) in the Company's condensed interim consolidated financial statements.

(expressed in Canadian dollars, unless otherwise stated)

11. RELATED PARTY TRANSACTIONS

Key management, directors, and officers received the following salaries and benefits during the six months ended June 30, 2023 and 2022:

For the six months ended	June 30, 2023		June 30, 2022
Share-based compensation	74,749	$	381,101
Employee salaries and benefits	268,333		243,626
	343,082	$	**624,727**

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 six months ended June 30, 2023 and 2022:

For the six months ended	June 30, 2023	June 30, 2022
Accounting and legal costs recharged from Slater Corporate Services ("SCSC"), a company controlled by director Ian Slater	180,000	150,000
Legal fees to Farris, LLP in which director Jay Sujir is a partner	80,097	26,357
Loan from Slater Capital Corp ('SCC"), a company controlled by director Ian Slater	341,490	-

As at		June 30, 2023		June 30, 2022
Amounts owed to:				
SCSC, a company controlled by director Ian Slater	$	2,920	$	-
SCC, a company controlled by director Ian Slater	$	341,490	$	-
Farris LLP in which a director, Jay Sujir, is a partner	$	57,094	$	-

The amounts owed to companies controlled by directors and officers of the Company are trade payables and a loan payable to SCC incurred in normal course and due on demand. The C$340,000 principal amount of the loan is payable on or before the earlier of (a) December 15, 2023, and (b) completion of an equity financing, together with interest accruing on the outstanding principal amount at a rate of 10% per annum, compounded monthly.

(expressed in Canadian dollars, unless otherwise stated)

12. SEGMENT INFORMATION

The Company has one operating segment, which is the exploration and development of mineral properties. The Company's total assets, total liabilities and net loss are distributed in four geographic regions, Canada, USA, Argentina and Colombia, as follows:

As at June 30, 2023	Canada	Argentina	Colombia	Total
Total assets	1,534,076	62,025	2,879,426	**4,475,527**
Total liabilities	987,861	(4,384)	701,887	**1,685,364**
Net loss	1,629,892	66,991	1,924,633	**3,621,516**

As at June 30, 2022		Canada	Argentina	Colombia	Total
Total assets	$	2,850,816	646,446	2,420,303	**5,917,565**
Total liabilities		795,813	-	712,231	**1,508,044**
Net loss	$	3,626,583	165,125	3,191,633	**6,983,341**

13. FINANCIAL INSTRUMENTS

The Company's cash and cash equivalents and amounts receivable are financial assets at amortized cost and accounts payable and accrued liabilities are financial liabilities at amortized cost.

a) Fair value

The fair values of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term maturities of these instruments. The Company currently holds the shares in Zacapa at fair value.

b) Marketable securities

The shares of Zacapa ("TSX-V ZACA") are recorded at fair value and are calculated under the fair value hierarchy and measured using Level 1 inputs of quoted share prices available in active markets (note 5). The Company recorded an unrealized loss of $150,000 and $110,000, respectively for the three and six months ended June 30, 2023.

14. SUBSEQUENT EVENTS

Subsequent to June 30, 2023, the Company:

- Announced a non-brokered private placement for the sale of up to 40,000,000 units at a price of C$0.05 per Unit for gross proceeds of up to C$2,000,000. Each Unit will be comprised of one common share (each, a "Unit Share") and one common share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one common share (each, a "Warrant Share") at a price of C$0.075 for a period of 36 months following the closing date of the Offering.

  On August 17, 2023, the Company closed the first tranche of this non-brokered private placement for the sale of 9,130,000 units at a price of C$0.05 per Unit for gross proceeds of C$456,500.

- Issued 3,063,000 common shares under its ATM Program for gross proceeds of $163,325.