



(the “Company”)

**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**For the year ended December 31, 2016**

**GENERAL**

This Management’s Discussion and Analysis (“MD&A”) supplements, but does not form part of, the audited consolidated financial statements of the Company for the year ended December 31, 2016. The following information, prepared as of March 30, 2017, should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2016. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relevant to the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**FORWARD LOOKING STATEMENTS**

This MD&A may contain “forward-looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “will”, “may”, “should”, “estimate”, “intend”, “expect”, “anticipate” and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance.

Forward-looking statements are statements that are not historical facts and include but are not limited to:

- a) Estimates and their underlying assumptions;
- b) Statements regarding plans, objectives and expectations with respect to the effectiveness of the Company’s business model, future operations, the impact of regulatory initiatives on the Company’s operations and market opportunities;
- c) General industry and macroeconomic growth rates;
- d) Expectations related to possible joint or strategic ventures; and
- e) Statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

## **DESCRIPTION OF BUSINESS**

Cordoba Minerals Corp. (the “Company” or “Cordoba”) is a Canadian based exploration and development company with exploration projects in Colombia. The principal business of the Company is the acquisition, exploration and development of precious and base metal properties.

The Company’s San Matias Copper-Gold Project (the “San Matias Project” or “San Matias”) is located in the Municipality of Puerto Libertador, in the Department of Cordoba, Colombia. The project comprises a 20,000-hectare land package on the inferred northern extension of the richly endowed Mid Cauca Belt underlain by volcano-sedimentary rocks that are intruded by multiple dioritic intrusives with excellent potential to host porphyry copper-gold deposits.

The San Matias Project contains several known areas of porphyry copper-gold mineralization, copper- gold replacement style and vein-hosted, gold-copper mineralization. Porphyry mineralization at the San Matias Project incorporates high-grade zones of copper-gold mineralization hosted by diorite porphyries containing secondary biotite alteration and various orientations of sheeted and stockwork quartz-magnetite veins with chalcopyrite and bornite. The copper-gold mineralization at Alacran is associated with stratabound replacement of a marine volcano-sedimentary sequence. The nature of mineralization encountered at San Matias is similar to other large high-grade copper- gold deposits.

The Company’s San Matias Project is a joint venture between Cordoba and High Power Exploration Inc. (“HPX”), a private mineral exploration company indirectly controlled by mining entrepreneur Robert Friedland’s Ivanhoe Industries, LLC. As of December 31, 2016, Phase Two of the Joint Venture Agreement (the “JV Agreement”) has been completed, where HPX earned a 51% interest in the Joint Venture Company (the “JV Company” or “JV”) by spending a cumulative total of \$19 million in exploration expenditures. The Company and HPX are currently in Phase Three of the JV Agreement, whereby HPX can earn a 65% interest in the JV Company by carrying the San Matias Project to feasibility. The Company cannot co-fund during Phase One, Two, and Three. Following the completion of Phase Three, each party will contribute to all JV Company expenditures in proportion to its then ownership interest in the JV.

## **CORPORATE UPDATE**

- On November 10, 2016, the Company announced that HPX has completed Phase Two of the Joint Venture Agreement and has earned a 51% interest in the San Matias Project in Colombia. HPX has earned its 51% interest in the project by spending a cumulative total of \$19 million in exploration activities. Phase Three of the JV Agreement has now commenced.
- On February 7, 2017, the Company announced that Cordoba has received final approval from the TSX Venture Exchange (the “TSXV”) to extend the term of the 15,000,000 existing share purchase warrants (the “Warrants”) that were otherwise scheduled to expire on February 7, 2017. Each Warrant is now exercisable at \$1.50 until March 31, 2017, subject to acceleration in the event that the closing price of the common shares of Cordoba exceeds \$2.50 for 20 consecutive trading days. The exercise price for the Warrants remains the same. As of the date of this MD&A, the Company has issued 1,601,100 shares for the exercise of these extended warrants.

## EXPLORATION UPDATE

### Initial Mineral Resource Estimate for the Alacran Copper and Gold Deposit

On January 5, 2017, the Company announced an initial Mineral Resource estimate for the Alacran Copper-Gold Deposit in Colombia.

#### Highlights

- The initial, pit-constrained, Inferred Mineral Resource for the Alacran Deposit is 53.52 million tonnes at 0.70% copper and 0.37 g/t gold, or 0.95% copper equivalent (CuEq), including 7.37 million tonnes at 2.14% copper and 0.41 g/t gold above 1% copper (Cu) cut off.
- The Inferred Mineral Resource is contained within a shallow, north-south trending mineralized corridor that is approximately 1.3 kilometres long and up to 355 metres wide.
- Mineral resources are reported within a conceptual open-pit shell which extends for the full length of the 1.3-kilometre corridor and to a depth of 220 metres below surface (see figure 2 and 4). The broad horizontal widths of mineral resource zones from surface are considered favorable for potential open-pit development at relatively low potential strip ratios, subject to the demonstration of economic viability (see figures 2, 4, 5 & 6).
- Copper-gold mineralization has been intercepted in drill holes below the conceptual pit shell and also at depths greater than 220 metres below surface; however, this mineralization was not included in the initial Inferred Mineral Resource due to insufficient drilling at the Mineral Resource cut-off date (see figures 4, 5 & 6). This mineralization provides the joint venture with immediate drilling targets which could materially expand the Inferred Mineral Resource.
- The Alacran mineralized system remains open to depth. Surface copper-gold geochemical anomalies also indicate significant potential for additional mineralized zones to the east and west of the Mineral Resource.
- The potential for the discovery of the mineralizing *source* for the high-grade copper and gold at Alacran is considered strong. Drill targets have been identified and will be aggressively tested by the joint venture this year.

**Table 1: El Alacran Mineral Resource as at October 27, 2016**

Inferred	Material (Mt)	Grade		Metal		Copper Equivalent	
		Copper (%)	Gold (g/t)	Copper (Mlb)	Gold (Koz)	CuEq (%)	CuEq (Mlb)
>0.3 CuEq	53.52	0.70	0.37	827	644	0.95	1,121
>1.0% Cu	7.37	2.14	0.41	348	98	2.42	393

\* Pit constrained mineral resources are reported in relation to a conceptual Whittle pit shell. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. Mt: millions of tonnes; Mlb: millions of pounds; Koz: thousands of ounces.

\*\*Copper equivalent grades are based on estimated copper and gold values, metal prices \$2.50/lb Cu and \$1300/oz gold (Au). Metal prices are not constant and are subject to change.

\*\*\* Pit constrained mineral resources are reported at a copper equivalent cut-off of 0.3% and applying assumed metal recoveries of 90% for Cu and 80% for Au. Note no metallurgical test work has been undertaken by Cordoba and the recoveries are estimates only.

\*\*\*\* Capped copper and gold assay composites were interpolated by ordinary kriging constrained within geologically constrained copper-gold grade shell boundaries (Figure 3).

The Mineral Resource estimate was independently prepared by Mining Associates Limited (“MA”), a leading global geological, resource and mining consultancy, and is reported in accordance with National Instrument 43-101 (“NI 43-101”) and the 2014 CIM Definition Standards. The Inferred Mineral Resource estimate is based on 20,200 metres of diamond drilling completed as at October 27, 2016.

#### Alacran Location and Geography

The Alacran copper-gold deposit is located within the Company’s San Matias Copper-Gold Project in the Department of Cordoba, Colombia, an area where access and infrastructure are considered favorable. The Alacran system is located on a topographic high in gently rolling topography, optimal for potential open-pit mining. Copper-gold mineralization at Alacran is largely hosted in a marine volcano-sedimentary package on the west-dipping limb of a faulted antiformal fold structure and partly in dioritic and felsic intrusions with sill-like geometries (Figure 1). The deposit comprises moderately- to steeply-dipping copper-gold mineralized zones, broadly concordant with host litho-stratigraphy and intrusion contacts. The copper-gold mineralization consists of chalcopyrite-pyrrhotite-pyrite veins, replacements (including massive sulfides) and disseminations that locally overprint hydrothermal magnetite-rich zones that are most strongly developed near intrusion contacts. Mineralization occurs over a strike length of more than 1,300 metres with horizontal widths up to 355 metres and has been drill-intersected to depths of 300 metres from surface.

#### Mineral Resource Parameters

The drilling database utilized in resource estimation was closed on October 27, 2016 and comprises 76 diamond drill-holes totaling 20,197 metres including 11,230 metres drilled by Ashmont Resources in 2011 and 2012 (see Table 3 for holes drilled by Cordoba). A total of 19,958 assay samples were used to constrain the resource estimation, of which 4,705 samples are copper-gold mineralized, providing 2,202 two-metre assay composites used to form the resource estimate.

Composite lengths and high-grade cuts based on spatial distribution and probability plots were applied as follows:

- Copper and gold assay data was composited to two metres down hole within geological domains; a copper grade cap was applied at the 97.5th percentile in high-copper domains and 98th percentile in the lower grade domains.
- Gold assays were composited to two metres down hole within copper domains and were capped near the 98th percentile.

Block model block-size selection (XYZ 20 x 20 x 10m) is based on approximately ½ the drill hole spacing in Mina Norte. Sub-blocking is permitted 5x5 x 2.5m for volumes. The block model is screened for LIDAR-based topography by sub-blocks.

The geological resource is constrained by sub-block within seven wireframes (“grade shells”) in domains based on lithology, structure and a minimum sample grade of 0.3% CuEq and may include minor internal dilution (e.g. Figures 3, 4, 5 & 6). Gold, iron and sulfur are constrained by the low-grade CuEq shells, iron and sulfur are also estimated unconstrained to inform the waste blocks. Separate grade-shells were created for high-grade copper and gold based on grade >1% Cu and > 1g/t Au respectively.

The constraining grade shells are modelled within a corridor, elongate approximately 1.3 kilometres north-south, of up to 355 metres horizontal width and interpolated/extrapolated to depths locally reaching 300 metres from surface (Figures 2 and 3).

Copper and gold grades were interpolated into the constrained block model by domain using ordinary kriging techniques. Kriging parameters are derived from a study of variography by domain. The block model was validated by statistical and visual comparison of data and estimated grades and by alternate estimation methods.

Routine bulk density measurements (747) show some variation with an average bulk density of 3.01 t/m<sup>3</sup>. Bulk density was calculated based on an iron regression,  $BD=0.0292 \times Fe\% + 2.5599$ , utilising block iron contents estimated as outlined above.

Mineral Resources have been classified as Inferred. Resource classification is based on confidence in grade continuity and geological models of the primary commodities (Cu, Au). The inferred resource lies above -30 mRL and within a conceptual Whittle pit shell (Figures 2, 5, & 6). Drill spacing in Mina Norte approximates a 40 x 40 m grid, drilling at Mina Seca has one to two holes per section.

Mineral Resources are reported at various copper grade ranges, within the 0.3% CuEq shell, clearly identifying the proportion of mineralization below 0.3% copper that is enriched in gold in the resource (Table 2) in both resource domains (Mina Norte & Mina Seca, Figure 3). Tonnages are rounded to the nearest million tonnes, copper grades are rounded to two decimal places and accessory minerals are rounded to one decimal place. Rounding as required by reporting guidelines reflect the accuracy of the estimates and may result in apparent summation differences between tonnes grade and contained metal.

**Table 2: Inferred Mineral Resource at El Alacran resource at various Copper Cut-offs (total inferred resource above 0.3% CuEq and within conceptual pit)\***

Inferred Deposit	Copper Cut Off	Material (Mt)	Grade		Metal		Copper Equivalent	
			Copper (%)	Gold (g/t)	Copper (Mlb)	Gold (Koz)	CuEq (%)	CuEq (Mlb)
Mina Norte	0.0 to 0.3	0.69	0.27	0.31	4	7	0.47	7
	0.3 to 1.0	28.82	0.52	0.27	328	255	0.70	445
	> 1.0	4.65	1.98	0.34	203	51	2.21	226
<b>Sub Total</b>		<b>34.16</b>	<b>0.71</b>	<b>0.28</b>	<b>535</b>	<b>313</b>	<b>0.90</b>	<b>678</b>
Mina Seca	0.0 to 0.3	4.35	0.24	0.65	23	91	0.68	65
	0.3 to 1.0	12.29	0.46	0.49	125	193	0.79	214
	> 1.0	2.72	2.41	0.54	145	47	2.78	167
<b>Sub Total</b>		<b>19.36</b>	<b>0.69</b>	<b>0.53</b>	<b>293</b>	<b>331</b>	<b>1.04</b>	<b>444</b>
<b>Total</b>	<b>&gt; 0.3% CuEq</b>	<b>53.52</b>	<b>0.70</b>	<b>0.37</b>	<b>827</b>	<b>644</b>	<b>0.95</b>	<b>1,122</b>

*\*Mineral Resources are not Mineral Reserves do not have demonstrated economic viability. Mineral resources are reported above a conceptual pit shell, and using a copper equivalent cut-off of 0.3% and apply assumed metal recoveries of 90% for Cu and 80% for Au. No metallurgical test work has yet been undertaken by Cordoba.*

Outside of the Inferred Mineral Resource, there is unclassified copper-gold mineralization identified in the grade shell models that either lacks confidence in grade and geological continuity (e.g. Mina Este, Figure 4, legend item 4) or is at depth below the -25m RL This mineralization provides immediate drilling targets for potential mineral resource additions.

Further drilling may be expected to increase the confidence levels in, and also potentially add, mineral resources. The Company expects to update the Mineral Resources during the second quarter of 2017 after the expected completion of its current drilling program. The Alacran system remains open to depth along much of its strike length and surface copper-gold geochemical anomalies indicate the potential for largely untested mineralized zones to the east and west of current mineral resources.

#### Alacran Option Agreement

The Joint Venture has an option (the "Option") to earn a 100% interest in the Alacran Project by completing the remaining commitments (see Cordoba news release dated October 21, 2015):

- A US\$250,000 payment to Sociedad Ordinaria de Minas Omni ("OMNI") on the 24-month anniversary of signing the Letter of Intent ("LOI").
- A US\$1,000,000 payment to OMNI on the 24-month anniversary of completion of the Definitive Agreement.
- Cordoba will file with the Colombian government for the relevant approvals to conduct activities of construction and commercial production at Alacran before June 30, 2018.
- A US\$14,000,000 payment to OMNI when the environmental license and all other approvals, permits or licenses required to commence the construction and operation of a commercial mine at Alacran have been granted on a final basis by the Colombian government.

OMNI will retain a 2% net smelter royalty with advance royalty payments of US\$500,000 commencing three years after receipt of approvals to commence construction at Alacran or six years after filing for approval to commence construction at Alacran. HPX has previously purchased a 50.1% interest in OMNI (see Cordoba news release dated April 6, 2016).

## Technical Information

The current mineral resource estimate was completed by MA, under the direction of Ian Taylor MAusIMM (CP), an independent Qualified Person as defined by NI 43-101. The QP visited the El Alacran property and supervised the geological modelling input to the current study. CIMM definitions and guidelines were followed for Mineral Resource estimation based on the parameters outlined above. Readers are reminded that Inferred Mineral Resources do not have demonstrated economic viability. Mr. Taylor has reviewed the Company's news release dated January 5, 2017 and consented to the inclusion of extracts from, or a summary of, the technical information prepared under his direction and supervision. A technical report providing details of the Inferred Mineral Resource estimate has been filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

**Figure 1: Plan view of Alacran geological model showing generally west-dipping lithostratigraphy, with mafic to intermediate volcanics & volcanics in the east and footwall to the main copper-gold mineralised zones hosted mainly by avolcaniclastic -epiclastic sequence that is intruded by intermediate sills and also larger dioritic bodies in the west and north. Mineralization also locally overprints the intrusions.**



Figure 2: Plan view of copper-gold mineralization “grade” shells, drill-hole traces and conceptual Whittle pit shell

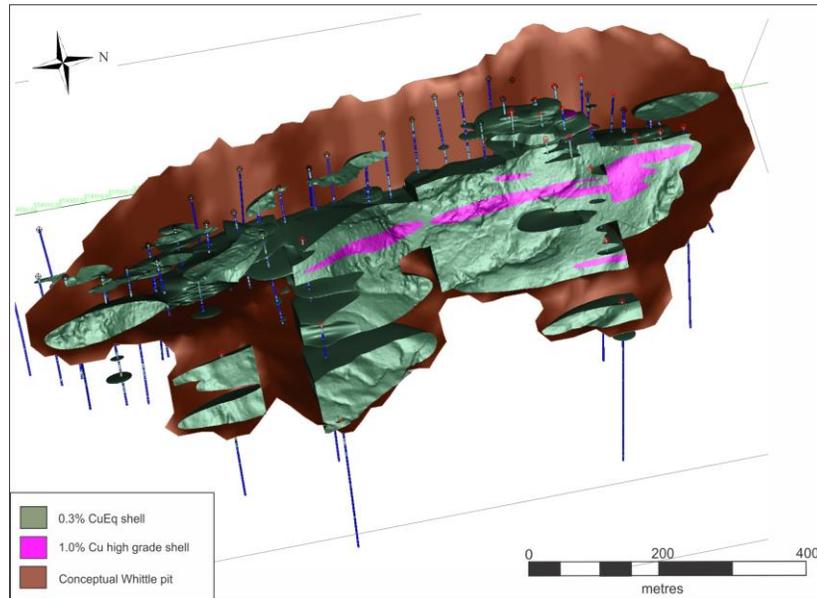


Figure 3: 3D view (towards north-east) of west-dipping “grade” shells under Lidar topography, draped by surface imagery.

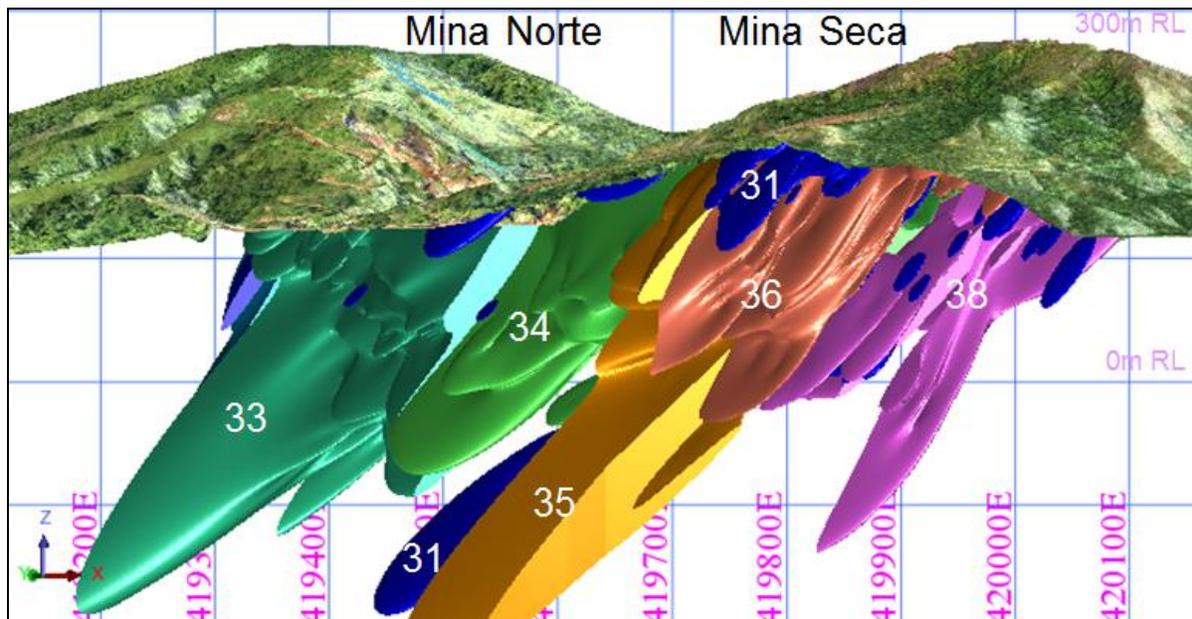


Figure 4: Copper-gold mineral resources in the Inferred category and unclassified mineralized material in relation to a conceptual Whittle pit shell and drill-hole traces, 3D view towards northeast.

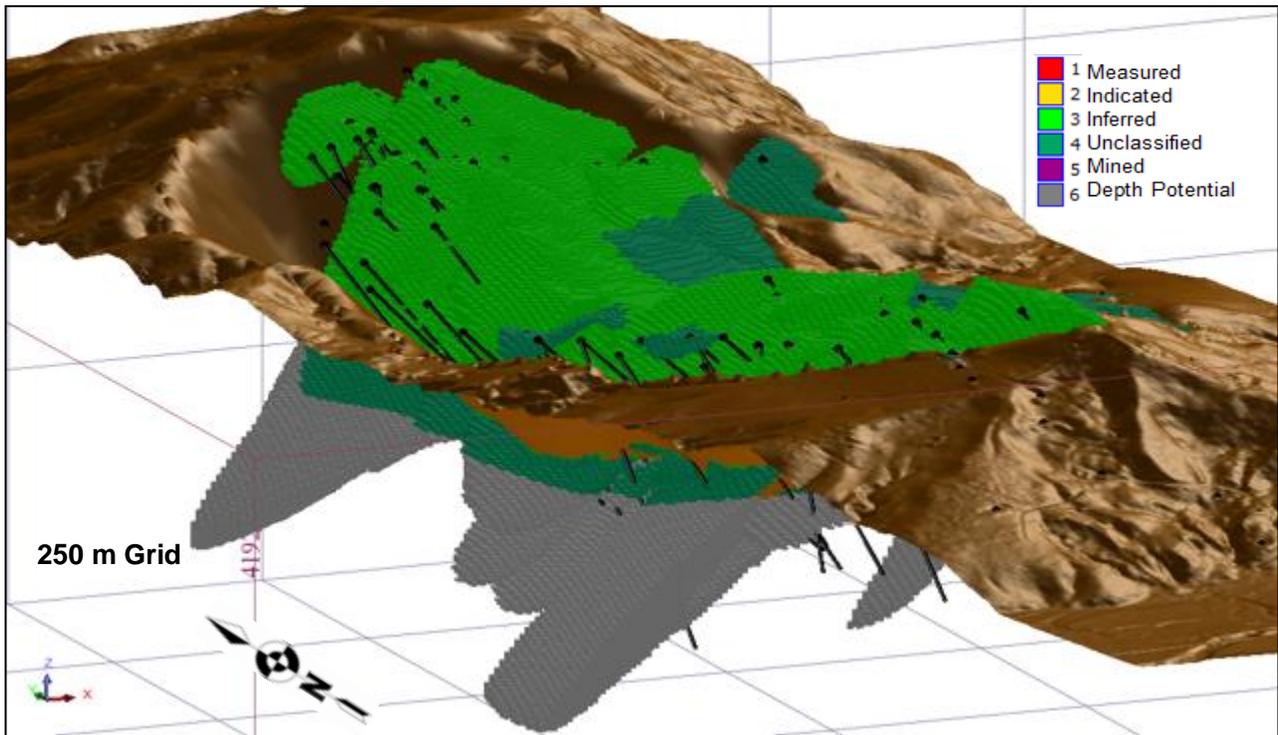


Figure 5: Section 855740mN showing drilling results and the broad width of Inferred mineral resource copper grades within a conceptual pit. Copper-gold mineralization may extend to depth below the resource blocks and also below the conceptual pit

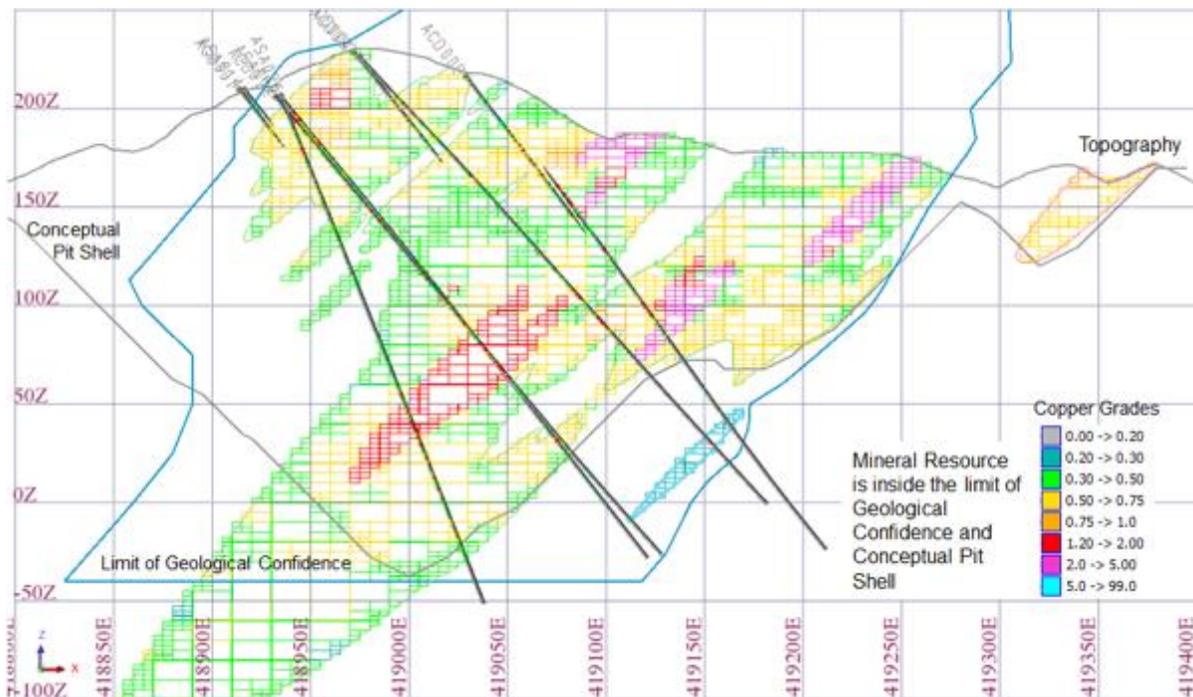
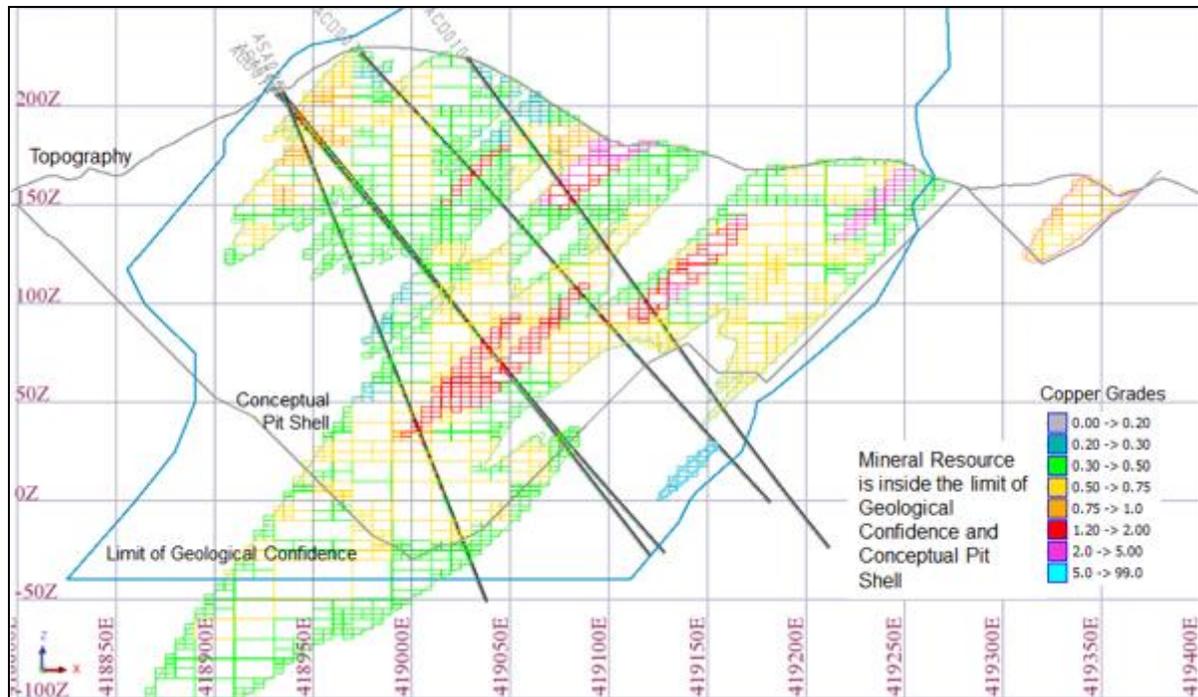


Figure 5: Section 855720mN showing drilling results and the broad width of Inferred mineral resource copper grades within a conceptual pit. Copper-gold mineralization may extend to depth below the resource blocks and also below the conceptual pit. Figure 4 & Figure 5 may be compared to give an impression of the north-south continuity of mineralization



**Table 3: Table of intercepts for Cordoba drill holes contained within this Mineral Resource estimate**

HoleID		From (m)	To (m)	Interval (m)	% CuEq	Summary	%CuEq Cutoff
ACD001		53	68	15	0.37	15m @ 0.25% Cu + 0.15g/t Au (from 53m)	0.30%
		76	91	15	0.59	15m @ 0.58% Cu + 0.02g/t Au (from 76m)	0.30%
		101	121	20	0.40	20m @ 0.33% Cu + 0.09g/t Au (from 101m)	0.30%
		<b>128</b>	<b>248</b>	<b>120</b>	<b>1.14</b>	<b>120m @ 0.87% Cu + 0.35g/t Au (from 128m)</b>	<b>0.30%</b>
	including	143	156	13	1.97	13m @ 1.4% Cu + 0.74g/t Au (from 143m)	1.00%
	and	153	156	3	4.21	3m @ 3.25% Cu + 1.26g/t Au (from 153m)	2.00%
	and	163	212	49	1.54	49m @ 1.23% Cu + 0.41g/t Au (from 163m)	1.00%
	and	170	175	5	3.88	5m @ 3.29% Cu + 0.78g/t Au (from 170m)	2.00%
	and	179	184	5	2.43	5m @ 2.06% Cu + 0.48g/t Au (from 179m)	2.00%
	and	225	234	9	1.00	9m @ 0.77% Cu + 0.3g/t Au (from 225m)	1.00%
	264	272	8	0.53	8m @ 0.48% Cu + 0.07g/t Au (from 264m)	0.30%	
ACD002		<b>107</b>	<b>227</b>	<b>120</b>	<b>0.76</b>	<b>120m @ 0.56% Cu + 0.26g/t Au (from 107m)</b>	<b>0.30%</b>
	including	158	177	19	2.39	19m @ 1.92% Cu + 0.62g/t Au (from 158m)	1.00%
	and	166	176	10	3.36	10m @ 2.72% Cu + 0.85g/t Au (from 166m)	2.00%
	249	262	13	0.46	13m @ 0.42% Cu + 0.06g/t Au (from 249m)	0.30%	
ACD003		98	113	15	0.87	15m @ 0.65% Cu + 0.29g/t Au (from 98m)	0.30%
		130	193	63	0.47	63m @ 0.37% Cu + 0.14g/t Au (from 130m)	0.30%
ACD004		42	92	50	0.62	50m @ 0.53% Cu + 0.12g/t Au (from 42m)	0.30%
	including	69	74	5	2.08	5m @ 1.84% Cu + 0.32g/t Au (from 69m)	1.00%
	and	85	89	4	1.20	4m @ 0.94% Cu + 0.35g/t Au (from 85m)	1.00%
		<b>101</b>	<b>197</b>	<b>96</b>	<b>0.75</b>	<b>96m @ 0.61% Cu + 0.19g/t Au (from 101m)</b>	<b>0.30%</b>
	including	122	127	5	1.21	5m @ 1.06% Cu + 0.2g/t Au (from 122m)	1.00%
	and	138	145	7	1.95	7m @ 1.54% Cu + 0.54g/t Au (from 138m)	1.00%
	and	141	144	3	2.73	3m @ 2.19% Cu + 0.71g/t Au (from 141m)	2.00%
	and	184	190	6	1.19	6m @ 0.93% Cu + 0.35g/t Au (from 184m)	1.00%
	204	215	11	0.71	11m @ 0.55% Cu + 0.21g/t Au (from 204m)	0.30%	
ACD005		<b>7</b>	<b>64</b>	<b>57</b>	<b>2.04</b>	<b>57m @ 1.52% Cu + 0.68g/t Au (from 7m)</b>	<b>0.30%</b>
	including	19	21	2	5.52	2m @ 1.96% Cu + 4.7g/t Au (from 19m)	2.00%
	and	33	45	12	7.15	12m @ 5.81% Cu + 1.77g/t Au (from 33m)	1.00%
	and	33	41	8	10.47	8m @ 8.57% Cu + 2.51g/t Au (from 33m)	2.00%
ACD006		<b>0</b>	<b>80.5</b>	<b>80.5</b>	<b>0.74</b>	<b>80.5m @ 0.54% Cu + 0.26g/t Au (from 0m)</b>	<b>0.30%</b>
	including	20	27	7	1.09	7m @ 0.54% Cu + 0.73g/t Au (from 20m)	1.00%
	and	31	35	4	1.12	4m @ 0.89% Cu + 0.3g/t Au (from 31m)	1.00%
	and	55	80.5	25.5	1.17	25.5m @ 0.86% Cu + 0.4g/t Au (from 55m)	1.00%
	and	74	76	2	2.72	2m @ 2.14% Cu + 0.76g/t Au (from 74m)	2.00%
ACD006A		<b>2</b>	<b>109</b>	<b>107</b>	<b>1.21</b>	<b>107m @ 0.95% Cu + 0.34g/t Au (from 2m)</b>	<b>0.30%</b>
	including	19	38	19	1.96	19m @ 1.62% Cu + 0.45g/t Au (from 19m)	1.00%
	and	26	34	8	2.89	8m @ 2.38% Cu + 0.67g/t Au (from 26m)	2.00%
	and	45	73	28	1.24	28m @ 1% Cu + 0.32g/t Au (from 45m)	1.00%
	and	56	59	3	2.12	3m @ 1.83% Cu + 0.38g/t Au (from 56m)	2.00%
	and	79	86	7	2.46	7m @ 1.85% Cu + 0.8g/t Au (from 79m)	1.00%
	and	79	86	7	2.46	7m @ 1.85% Cu + 0.8g/t Au (from 79m)	2.00%
	and	94	108	14	1.36	14m @ 0.98% Cu + 0.5g/t Au (from 94m)	1.00%

HoleID		From (m)	To (m)	Interval (m)	% CuEq	Summary	%CuEq Cutoff
ACD007		2	17	15	0.32	15m @ 0.1% Cu + 0.29g/t Au (from 2m)	0.30%
		<b>24</b>	<b>104</b>	<b>80</b>	<b>0.90</b>	<b>80m @ 0.49% Cu + 0.53g/t Au (from 24m)</b>	0.30%
	including	38	42	4	1.35	4m @ 0.97% Cu + 0.49g/t Au (from 38m)	1.00%
	and	81	91	10	3.34	10m @ 0.98% Cu + 3.11g/t Au (from 81m)	1.00%
	and	81	84	3	7.48	3m @ 1.98% Cu + 7.26g/t Au (from 81m)	2.00%
		118	129	11	0.32	11m @ 0.31% Cu + 0.02g/t Au (from 118m)	0.30%
		141	193	52	0.88	52m @ 0.69% Cu + 0.25g/t Au (from 141m)	0.30%
	including	153	167	14	1.04	14m @ 0.92% Cu + 0.15g/t Au (from 153m)	1.00%
	and	179	187	8	2.08	8m @ 1.34% Cu + 0.97g/t Au (from 179m)	1.00%
	and	182	185	3	2.75	3m @ 1.47% Cu + 1.69g/t Au (from 182m)	2.00%
	263	270	7	0.68	7m @ 0.34% Cu + 0.45g/t Au (from 263m)	0.30%	
ACD008		<b>31</b>	<b>105</b>	<b>74</b>	<b>0.75</b>	<b>74m @ 0.58% Cu + 0.23g/t Au (from 31m)</b>	0.30%
	including	31	39	8	1.01	8m @ 0.99% Cu + 0.02g/t Au (from 31m)	1.00%
	and	87	101	14	2.12	14m @ 1.58% Cu + 0.7g/t Au (from 87m)	1.00%
	and	95	99	4	4.70	4m @ 3.83% Cu + 1.15g/t Au (from 95m)	2.00%
		<b>113</b>	<b>140</b>	<b>27</b>	<b>0.86</b>	<b>27m @ 0.6% Cu + 0.35g/t Au (from 113m)</b>	0.30%
	including	134	138	4	1.48	4m @ 1.17% Cu + 0.41g/t Au (from 134m)	1.00%
		187	202	15	0.94	15m @ 0.78% Cu + 0.21g/t Au (from 187m)	0.30%
including	189	198	9	1.13	9m @ 0.93% Cu + 0.26g/t Au (from 189m)	1.00%	
ACD009		<b>12</b>	<b>119</b>	<b>107</b>	<b>0.97</b>	<b>107m @ 0.57% Cu + 0.53g/t Au (from 12m)</b>	0.30%
	including	43	50	7	1.19	7m @ 1.06% Cu + 0.16g/t Au (from 43m)	1.00%
	and	59	66	7	5.30	7m @ 0.69% Cu + 6.08g/t Au (from 59m)	1.00%
	and	59	62	3	11.27	3m @ 0.64% Cu + 14.02g/t Au (from 59m)	2.00%
	and	83	90	7	2.36	7m @ 1.84% Cu + 0.67g/t Au (from 83m)	1.00%
	and	83	89	6	2.53	6m @ 1.98% Cu + 0.72g/t Au (from 83m)	2.00%
	and	97	108	11	1.55	11m @ 1.26% Cu + 0.38g/t Au (from 97m)	1.00%
	and	101	104	3	2.33	3m @ 1.8% Cu + 0.7g/t Au (from 101m)	2.00%
		<b>146</b>	<b>181</b>	<b>35</b>	<b>1.74</b>	<b>35m @ 1.39% Cu + 0.45g/t Au (from 146m)</b>	0.30%
	including	148	165	17	2.83	17m @ 2.26% Cu + 0.74g/t Au (from 148m)	1.00%
and	158	164	6	4.90	6m @ 3.88% Cu + 1.35g/t Au (from 158m)	2.00%	
ACD010		2	31	29	0.50	29m @ 0.22% Cu + 0.38g/t Au (from 2m)	0.30%
		<b>38</b>	<b>64</b>	<b>26</b>	<b>0.88</b>	<b>26m @ 0.63% Cu + 0.33g/t Au (from 38m)</b>	0.30%
	including	38	48	10	1.07	10m @ 0.53% Cu + 0.71g/t Au (from 38m)	1.00%
		60	64	4	1.65	4m @ 1.59% Cu + 0.08g/t Au (from 60m)	1.00%
		<b>77</b>	<b>96</b>	<b>19</b>	<b>1.35</b>	<b>19m @ 1.31% Cu + 0.05g/t Au (from 77m)</b>	0.30%
	including	77	91	14	1.72	14m @ 1.67% Cu + 0.06g/t Au (from 77m)	1.00%
	including	78	83	5	2.06	5m @ 1.96% Cu + 0.13g/t Au (from 78m)	2.00%
		103	124	21	0.48	21m @ 0.4% Cu + 0.11g/t Au (from 103m)	0.30%
		<b>142</b>	<b>178</b>	<b>36</b>	<b>0.95</b>	<b>36m @ 0.78% Cu + 0.22g/t Au (from 142m)</b>	0.30%
	including	151	160	9	2.06	9m @ 1.67% Cu + 0.52g/t Au (from 151m)	1.00%
	and	152	159	7	2.25	7m @ 1.8% Cu + 0.59g/t Au (from 152m)	2.00%
		206	218	12	0.30	12m @ 0.28% Cu + 0.03g/t Au (from 206m)	0.30%
ACD012		<b>3</b>	<b>98</b>	<b>95</b>	<b>0.58</b>	<b>95m @ 0.51% Cu + 0.09g/t Au (from 3m)</b>	0.30%
	including	13	28	15	1.15	15m @ 1.08% Cu + 0.08g/t Au (from 13m)	1.00%
		<b>111</b>	<b>193</b>	<b>82</b>	<b>0.97</b>	<b>82m @ 0.71% Cu + 0.34g/t Au (from 111m)</b>	0.30%
	including	138	154	16	1.22	16m @ 0.76% Cu + 0.61g/t Au (from 138m)	1.00%

HoleID		From (m)	To (m)	Interval (m)	% CuEq	Summary	%CuEq Cutoff
	and	150	154	4	2.15	4m @ 1% Cu + 1.52g/t Au (from 150m)	2.00%
	and	162	187	25	1.52	25m @ 1.21% Cu + 0.41g/t Au (from 162m)	1.00%
	and	164	167	3	2.47	3m @ 1.91% Cu + 0.75g/t Au (from 164m)	2.00%
	and	178	181	3	2.27	3m @ 1.77% Cu + 0.65g/t Au (from 178m)	2.00%
		217	235	18	0.32	18m @ 0.25% Cu + 0.1g/t Au (from 217m)	0.30%
ACD013		<b>1</b>	<b>78</b>	<b>77</b>	<b>0.84</b>	<b>77m @ 0.72% Cu + 0.15g/t Au (from 1m)</b>	<b>0.30%</b>
	including	24	36	12	2.33	12m @ 1.97% Cu + 0.47g/t Au (from 24m)	1.00%
	and	29	35	6	3.88	6m @ 3.21% Cu + 0.88g/t Au (from 29m)	2.00%
		123	133	10	0.52	10m @ 0.4% Cu + 0.15g/t Au (from 123m)	0.30%
		143	160	17	0.78	17m @ 0.68% Cu + 0.12g/t Au (from 143m)	0.30%
	including	146	150	4	1.57	4m @ 1.32% Cu + 0.34g/t Au (from 146m)	1.00%
ACD014		1	7	6	0.41	6m @ 0.23% Cu + 0.25g/t Au (from 1m)	0.30%
		<b>39</b>	<b>91</b>	<b>52</b>	<b>1.31</b>	<b>52m @ 0.93% Cu + 0.5g/t Au (from 39m)</b>	<b>0.30%</b>
	including	47	73	26	1.84	26m @ 1.38% Cu + 0.6g/t Au (from 47m)	1.00%
	and	51	57	6	2.55	6m @ 1.9% Cu + 0.85g/t Au (from 51m)	2.00%
	and	60	67	7	2.28	7m @ 1.65% Cu + 0.83g/t Au (from 60m)	2.00%
	and	87	91	4	2.31	4m @ 0.92% Cu + 1.83g/t Au (from 87m)	1.00%
		99	110	11	0.35	11m @ 0.06% Cu + 0.38g/t Au (from 99m)	0.30%
ACD015		<b>3</b>	<b>24</b>	<b>21</b>	<b>0.76</b>	<b>21m @ 0.69% Cu + 0.08g/t Au (from 3m)</b>	<b>0.30%</b>
	including	7	12	5	1.22	5m @ 1.01% Cu + 0.27g/t Au (from 7m)	1.00%
		38	44	6	0.31	6m @ 0.29% Cu + 0.02g/t Au (from 38m)	0.30%
		64	70	6	0.44	6m @ 0.22% Cu + 0.3g/t Au (from 64m)	0.30%
ACD016		0	24	24	0.48	24m @ 0.35% Cu + 0.16g/t Au (from 0m)	0.30%
		50	65	15	0.31	15m @ 0.21% Cu + 0.12g/t Au (from 50m)	0.30%
		87	101	14	0.30	14m @ 0.06% Cu + 0.33g/t Au (from 87m)	0.30%
		128	135	7	0.50	7m @ 0.24% Cu + 0.34g/t Au (from 128m)	0.30%
ACD017		1	26	25	0.40	25m @ 0.31% Cu + 0.12g/t Au (from 1m)	0.30%
		34	61	27	0.33	27m @ 0.28% Cu + 0.06g/t Au (from 34m)	0.30%
		84	121	37	0.43	37m @ 0.35% Cu + 0.11g/t Au (from 84m)	0.30%
ACD018		8	14	6	0.35	6m @ 0.28% Cu + 0.08g/t Au (from 8m)	0.30%
		<b>24</b>	<b>73</b>	<b>49</b>	<b>0.79</b>	<b>49m @ 0.61% Cu + 0.23g/t Au (from 24m)</b>	<b>0.30%</b>
	including	39	60	21	1.31	21m @ 0.99% Cu + 0.42g/t Au (from 39m)	1.00%
	and	45	49	4	2.55	4m @ 2.17% Cu + 0.5g/t Au (from 45m)	2.00%
		102	109	7	0.56	7m @ 0.33% Cu + 0.3g/t Au (from 102m)	0.30%
		<b>128</b>	<b>182</b>	<b>54</b>	<b>0.85</b>	<b>54m @ 0.57% Cu + 0.37g/t Au (from 128m)</b>	<b>0.30%</b>
	including	153	157	4	1.40	4m @ 0.78% Cu + 0.82g/t Au (from 153m)	1.00%
	and	165	172	7	1.56	7m @ 1.21% Cu + 0.46g/t Au (from 165m)	1.00%
	and	167	169	2	2.90	2m @ 2.44% Cu + 0.61g/t Au (from 167m)	2.00%
		212	218	6	2.05	6m @ 1.78% Cu + 0.35g/t Au (from 212m)	0.30%
	212	215	3	3.35	3m @ 2.86% Cu + 0.64g/t Au (from 212m)	2.00%	
ACD019		70	85	15	0.77	15m @ 0.72% Cu + 0.06g/t Au (from 70m)	0.30%
	including	72	76	4	1.14	4m @ 1.06% Cu + 0.11g/t Au (from 72m)	1.00%
		101	109	8	0.92	8m @ 0.9% Cu + 0.03g/t Au (from 101m)	0.30%
	including	102	106	4	1.07	4m @ 1.05% Cu + 0.03g/t Au (from 102m)	1.00%
		123	131	8	0.40	8m @ 0.36% Cu + 0.04g/t Au (from 123m)	0.30%
ACD020		1	7	6	0.40	6m @ 0.21% Cu + 0.25g/t Au (from 1m)	0.30%

HoleID		From (m)	To (m)	Interval (m)	% CuEq	Summary	%CuEq Cutoff
ACD021		0	13	13	0.38	13m @ 0.29% Cu + 0.11g/t Au (from 0m)	0.30%
		24	46	22	1.86	22m @ 1.36% Cu + 0.67g/t Au (from 24m)	0.30%
	including	26	35	9	3.77	9m @ 2.73% Cu + 1.38g/t Au (from 26m)	1.00%
	and	26	32	6	5.18	6m @ 3.67% Cu + 1.99g/t Au (from 26m)	2.00%
ACD022		25	54	29	0.87	29m @ 0.73% Cu + 0.18g/t Au (from 25m)	0.30%
	including	25	30	5	1.33	5m @ 1.13% Cu + 0.27g/t Au (from 25m)	1.00%
		70	133	63	0.77	63m @ 0.63% Cu + 0.19g/t Au (from 70m)	0.30%
	including	84	90	6	1.28	6m @ 1.09% Cu + 0.25g/t Au (from 84m)	1.00%
	and	97	124	27	1.09	27m @ 0.86% Cu + 0.3g/t Au (from 97m)	1.00%
		142	188	46	0.69	46m @ 0.55% Cu + 0.19g/t Au (from 142m)	0.30%
	including	182	188	6	1.05	6m @ 0.86% Cu + 0.25g/t Au (from 182m)	1.00%
	199	215	16	0.66	16m @ 0.62% Cu + 0.05g/t Au (from 199m)	0.30%	

**Table 4: Coordinates for Cordoba drill holes used in this Mineral Resource estimate**

HoleID	East **	North **	RL **	Final Depth	Azimuth	Dip	Type
ACD001	418914	855761	210	280	85	-52	DD
ACD002	418910	855812	218	306.2	90	-57	DD
ACD003	418951	855863	212	290.7	90	-68	DD
ACD004	418972	855759	228	323	85	-51	DD
ACD005	419063	855914	255	240	90	-50	DD
ACD006	419060	855870	248	80.5	90	-60	DD
ACD006A	419074	855867	250	301	90	-60	DD
ACD007	418975	855719	226	307.8	85	-46	DD
ACD008	418957	855669	224	300	90	-51	DD
ACD008A	418961	855666	224	56.4	90	-50	DD
ACD009	419029	855758	227	283.5	85	-53	DD
ACD010	419029	855714	234	308	85	-54	DD
ACD011	419064	855957	258	442.3	85	-58	DD
ACD012	418932	855721	206	304.6	85	-49	DD
ACD013	419089	855783	209	315	88	-52	DD
ACD014	419180	855783	188	313.2	88	-56	DD
ACD015	419342	855782	179	358	88	-56	DD
ACD016	419156	855051	227	314.3	88	-56	DD
ACD017	419306	855065	198	315.9	88	-57	DD
ACD018	419125	855247	205	302.2	88	-55	DD
ACD019	419277	855251	168	300	88	-55	DD
ACD020	419455	855249	153	279.2	88	-55	DD
ACD021	419224	855782	189	130.9	88	-54	DD
ACD022	419017	855803	226	313.5	88	-55	DD

\*\* WGS84 UTM

### **On-going Diamond Drilling**

On January 11, 2017, the Company announced that drilling at the San Matias Copper-Gold Project in Colombia has significantly expanded the volume of near-surface copper-gold mineralization at the Alacran Deposit. Copper mineralization at Alacran has now been intersected over a strike length of 1.3 kilometres, to widths of up to 400m, and extends from surface to depths of more than 260 metres below surface.

On January 23, 2017, the Company announced that drilling at the San Matias Copper-Gold Project intersected bonanza gold veins at Alacran. The discovery of this new style of high grade gold mineralization represents a separate and significant exploration opportunity at Alacran.

Recent Alacran drilling highlights (refer to the Company's news release dated January 11, 2017 and January 23, 2017 for complete drilling results):

- **ACD028:**
  - **24 metres (m) @ 1.64% Copper (Cu) + 0.62g/t Gold (Au) (from 42 m)**, including:
    - 6 m @ 1.97% Cu + 0.91g/t Au (from 50 m), and
    - 4 m @ 3.69% Cu + 1.06g/t Au (from 62 m)
- **ACD032:**
  - **66 m @ 1.20% Cu + 0.23g/t Au (from 46 m)**, including:
    - 14 m @ 3.31% Cu + 0.26g/t Au (from 60 m), and
    - 6 m @ 1.95% Cu + 0.72g/t Au (from 98 m)
- **ACD033:**
  - **108 m @ 1.26% Cu + 0.87g/t Au (from 0 m)**, including:
    - 26 m @ 1.48% Cu + 1.37g/t Au (from 20 m), and
    - 26 m @ 3.18% Cu + 1.62g/t Au (from 62 m)
- **ACD035:**
  - **34 m @ 0.75% Cu + 0.47g/t Au (from 6 m)**, including:
    - 18 m @ 1.20% Cu + 0.74g/t Au (from 22 m)
  - **60 m @ 0.40% Cu + 0.21g/t Au (from 122 m)**
- **ACD036:**
  - **0.90 meters (m) @ 4,440 g/t gold (Au) + 10.25% copper (Cu) + 24.70% zinc (Zn) + 347 g/t silver (Ag)**
- Part of
  - **5.00 m @ 800.90 g/t Au + 3.70% Cu + 8.60% Zn + 88.63 g/t Ag**
  - **136.00 m @ 1.00% Cu + 0.56 g/t Au (cut\*)**

Hole ACD033 (108 m @ 1.26% Cu + 0.87g/t Au) has returned one of the best intersections to date on the project with mineralization outside the current Inferred Mineral Resource shell. The recent drilling results demonstrate the potential to significantly increase the current inferred mineral resource at Alacran of 53.5 million tonnes of 0.70% copper and 0.37 g/t gold announced in a press release January 5, 2017 (see Figure 6). The area around hole ACD033 is a priority target to follow-up with additional drilling to the east, where the mineralization remains open.

Prior to the current drilling program, the mineralization at Alacran was believed to be striking in a north-south direction, with a sub-vertical westerly dip. This drilling campaign has shown that the mineralization dips more moderately to the west, conformable to the host stratigraphy, adding additional shallow mineralization up-dip to the east. Moving from north to south, the host stratigraphy appears to steepen while the mineralization changes from pyrrhotite-pyrite-chalcopyrite to magnetite-chalcopyrite. Based on

magnetic and induced polarization surveys, attractive exploration targets remain down-plunge and along strike.

The 0.90 meter bonanza grade gold intersection in ACD036 is hosted in a late stage, chalcopyrite-sphalerite-carbonate-coarse gold vein that overprints earlier chalcopyrite-pyrrhotite copper-gold mineralization (Figure 7). The high-grade gold vein is similar to Carbonate Base Metal (CBM) vein systems found globally, including Barrick Gold's Porgera gold mine and also Continental Gold's Buritica deposit, located south of Cordoba's licenses along the Mid Cauca belt in Colombia.

The discovery of these structurally controlled high-grade gold rich veins represents an important new target to add extremely high value material within the existing inferred copper-gold mineral resource shell and resource expansion. The CBM Vein in ACD036 was intersected at a depth of approximately 90 meters below surface. Copper-gold mineralization at Alacran has now been intersected over a strike length of 1.3 kilometres, to widths of up to 400 meters, and extends from surface to depths of more than 260 meters below surface.

On February 1, 2017, the Company announced that Major Drilling International Inc. ("Major Drilling") has been engaged to expand Cordoba's exploration program providing a more powerful drill rig that will allow for the drill testing of deeper targets at the San Matias Copper-Gold Project in Colombia.

Based in New Brunswick, Canada, Major Drilling is one of the world's largest metals and minerals contract drilling services companies and who have a significant presence in Colombia.

Following Cordoba's news release on January 23, 2017, announcing the discovery of bonanza-grade gold veins at Alacran where hole ACD036 intersected 0.9 metres of 4,440 g/t gold, 10.25% copper, 24.7% zinc and 347 g/t silver, drilling at Alacran will be focused on testing the extent of the newly discovered, bonanza-grade, structurally controlled, Carbonate Base Metal (CBM) veins, and the up-dip eastern extensions of the Alacran deposit where hole ACD033 intersected 108 metres of 1.26% copper and 0.87 g/t gold and the down dip extensions on the western side.

The Company, with its ongoing aggressive drilling program, will continue to aim at expanding the size and scope of mineralization at Alacran, as well as testing other high priority targets at San Matias that have previously yielded large widths of high-grade copper-gold mineralization.

Figure 6: January 2017 resource shells showing intercepts outside the conceptual whittle pit.

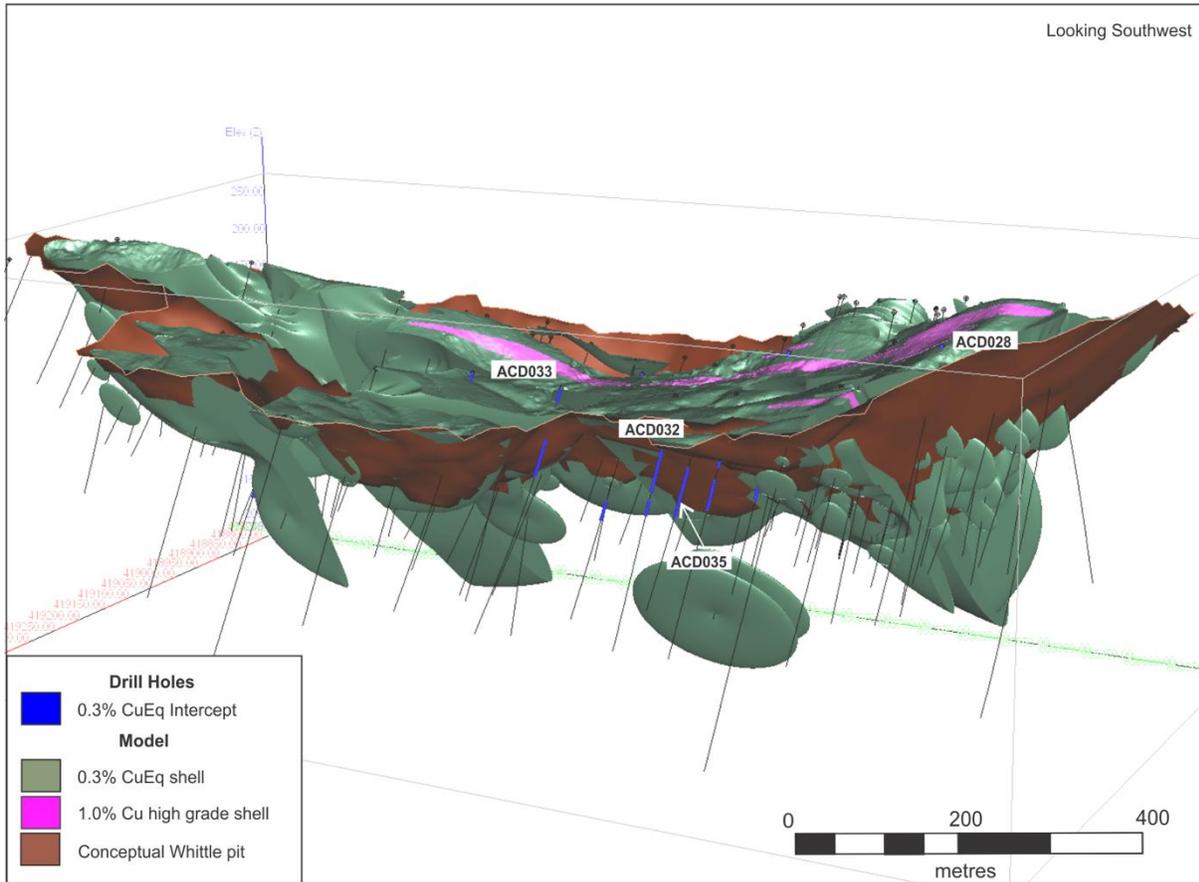
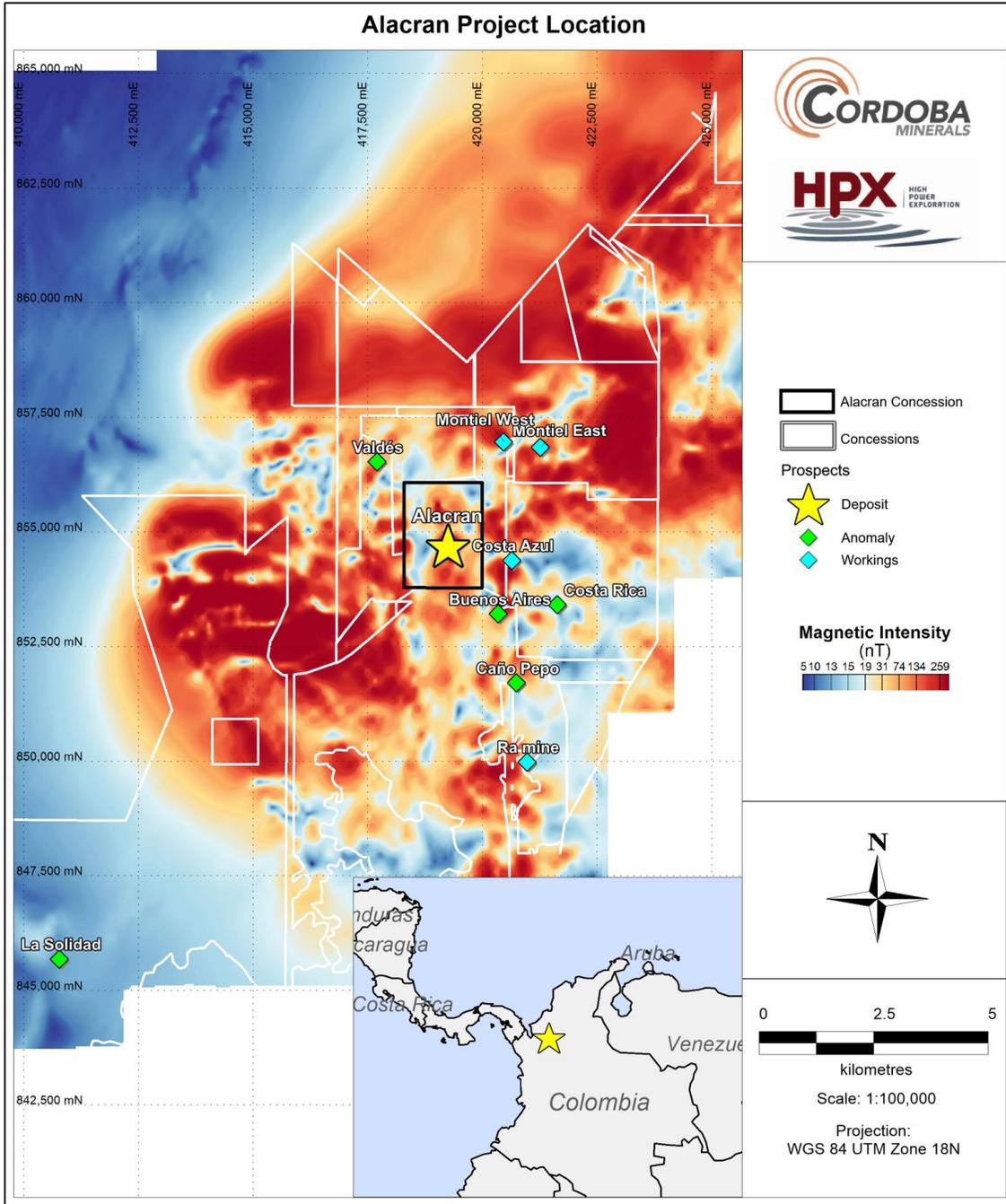


Figure 7: Image of strong coarse visible gold in sphalerite-carbonate vein cutting chalcopyrite in ACD036



**Figure 8: Project Location and licenses on magnetics.**



*Qualified Person:* Christian J. Grainger, PhD, a Qualified Person for the purpose of NI 43-101, has approved the disclosure of the technical information in this MD&A. Dr. Grainger is a geologist with +15 years in the minerals mining, consulting, exploration and research industries. He is a Member of the Australian Institute of Geoscientists and Australian Institute of Mining and Metallurgy.

## SELECTED ANNUAL INFORMATION

The following table provides information for the year ended December 31, 2016 and 2015, and the eight-month period ended December 31, 2014:

	December 31, 2016	December 31, 2015	December 31, 2014*
Exploration and evaluation expenditures	\$ 1,369,015	\$ 3,178,039	\$ 3,699,463
Other operating expenses	3,178,439	1,665,637	2,521,554
Net loss	4,528,023	4,918,035	6,205,959
Loss per share basic and fully diluted	0.05	0.08	0.11
Total assets	8,027,421	8,068,220	9,623,371
Total liabilities	2,174,123	836,195	346,409
Shareholders' equity	5,853,298	7,232,025	9,276,962

\*Effective May 1, 2014, the Company changed its fiscal year end from April 30 to December 31, resulting in an eight-month transition year ended December 31, 2014.

- Exploration and evaluation expenditures for the periods presented were all incurred in Colombia.  
The exploration and evaluation expenditures were lower for the year ended December 31, 2016 due to HPX began funding the project costs directly upon completion of the Initial Option Period in the first quarter of 2016. During 2016, Cordoba and its joint venture partner HPX completed the Initial Option Period, Phase One and Phase Two of the Joint Venture Agreement where HPX earned a 51% interest in the Joint Venture Company by spending \$19 million on the project. Since HPX is funding Phase One, Two and Three of the JV directly, the Company will not incur any exploration and evaluation expenditure during these three phases. As a result, minimal exploration and evaluation expenditures will be reported on the Company's financial statements until the Company co-funds the San Matias Project again following the completion of Phase Three of the JV Agreement.
- Other operating expenses consist of corporate administration costs incurred by the corporate office in Toronto, non-cash share-based payments and amortization. Other operating expenses were higher for the year ended December 31, 2016 and the eight-month period ended December 31, 2014 mainly due to higher share-based payments of \$1.6 million and \$1.4 million respectively compared to \$0.4 million in 2015. Other operating expenses were higher for the year ended December 31, 2016 also due to higher corporate administration costs resulted from additional personnel and increased professional, compliance and regulatory fees associated with increased corporate and investor relations activities.
- The increase in total liabilities for the year ended December 31, 2016 is mainly attributable to the increase in due to related parties. The amount due to HPX includes a short-term loan of \$450,000 to fund the Company's corporate administration costs and cash received from HPX yet to be spent on exploration and evaluation expenditures on San Matias Project in Colombia.
- The decrease in shareholders' equity from December 31, 2014 to December 31, 2016 is mainly attributable to the use of cash resources to fund the Company's exploration and evaluation expenditures and administrative expenses for the period. As the Company is in the exploration stage, it does not generate operating revenue.

## SELECTED QUARTERLY INFORMATION

The following table provides information for the eight fiscal quarters ended December 31, 2016:

	31-Dec-2016	30-Sep-2016	30-Jun-2016	31-Mar-2016
Exploration and evaluation expenditures (recovery)	\$ (14,163)	\$ (14,163)	\$ (628,547)	\$ 2,011,725
Other operating expenses	1,030,836	81,365	1,394,306	2,719,932
Net loss	1,033,368	67,004	50,428	2,277,223
Loss per share - basic and fully diluted	0.01	0.01	0.01	0.03
Total assets	8,027,421	0,976,734	8,622,580	7,789,488
Total liabilities	2,174,123	2,650,391	2,953,924	2,389,934
Shareholders' equity	5,853,298	6,326,343	6,668,656	6,399,554

	31-Dec-2015	30-Sep-2015	30-Jun-2015	31-Mar-2015
Exploration and evaluation expenditures	\$ 1,502,393	\$ 36,415	\$ 10,615	\$ 28,616
Other operating expenses	642,861	36,253	88,463	298,060
Net loss	2,148,319	869,177	1,089,467	311,072
Loss per share - basic and fully diluted	0.03	0.01	0.02	0.01
Total assets	8,068,220	7,717,684	8,771,189	8,688,609
Total liabilities	336,195	245,478	287,738	280,992
Shareholders' equity	7,732,025	7,472,206	8,483,451	8,507,617

\* Effective May 1, 2014, the Company changed its fiscal year end from April 30 to December 31, resulting in an eight-month transition year ended December 31, 2014. The final quarter in fiscal 2014 consists of two months ended December 31, 2014.

- Exploration and evaluation expenditures for the eight quarters presented were all incurred in Colombia.

The exploration and evaluation expenditures were lower for the year ended December 31, 2016 due to HPX began funding the project costs directly upon completion of the Initial Option Period in the first quarter of 2016. During 2016, Cordoba and its joint venture partner HPX completed the Initial Option Period, Phase One and Phase Two of the Joint Venture Agreement where HPX earned a 51% interest in the Joint Venture Company by spending \$19 million on the project. Since HPX is funding Phase One, Two and Three of the JV directly, the Company will not incur any exploration and evaluation expenditure during these three phases. As a result, minimal exploration and evaluation expenditures will be reported on the Company's financial statements until the Company co-funds the San Matias Project again following the completion of Phase Three of the JV Agreement.

During the three months ended September 30, 2016, the Company reversed an over accrual of 2015 Colombian tax liability, resulting in a recovery in exploration and evaluation expenditure for the third quarter of 2016.

During the Initial Option Period, Cordoba's exploration spending on the San Matias Project exceeded the funding provided by HPX through private placements and exercise of warrants. HPX reimbursed Cordoba for the Initial Option Period funding shortfall during the second quarter of 2016, resulting in an exploration and evaluation expenditure recovery for the three months ended June 30, 2016.

In the fourth quarter of 2015, the Company commenced its 2015/2016-exploration program, which resulted in the higher exploration and evaluation expenditures for the quarters ended December 31, 2015 and March 31, 2016. The Company's 2015/2016-exploration program consisted of detailed ground magnetics, deep Typhoon IP geophysical survey, and a 3,000-metre diamond drilling campaign mainly on the Alacran property. The Phase One Typhoon program and the 3,000-metre drilling program were completed in May 2016.

For the nine months ended September 30, 2015, the Company conducted less extensive exploration program which involved surface sampling and ground magnetics work, resulting in lower exploration and evaluation expenditure for the three quarters ended March 31, June 30, and September 30, 2015.

The Company's 2014-exploration program, which concluded in the fourth quarter of 2014, incorporated trenching, sampling, as well as RAB and diamond drilling on previously identified targets.

- Other operating expenses consist of corporate administration costs incurred by the corporate office in Toronto, non-cash share-based payments and amortization. The increase in other operating expenses for the periods ended December 31, 2016, June 30, 2016, December 31, 2015, and June 30, 2015 is mainly due to share-based payments of \$580,610, \$976,474, \$218,021, and \$150,833 respectively, charged during those periods representing the expensing of fair value of stock options vested during those periods.

Besides the share-based payments charge, other operating expenses have remained relatively consistent over the periods presented with a slight increase in the most recent quarters due to increased corporate and investor relations activities.

- The variances in total assets and shareholders' equity are mainly attributable to equity placements, which increased cash resources, while funding the Company's exploration and evaluation expenditures and administrative expenses decreased cash resources. As the Company is in the exploration stage, it does not generate operating revenue.
- The increase in total liabilities at the end of the two most recent quarters mainly represents the increase in due to HPX. The amount due to HPX as of December 31, 2016 consists of an advance of \$450,000 to fund the Company's corporate administration costs and cash funding provided by HPX for the exploration and evaluation expenditures at the San Matias Project not yet spent to date.

## RESULTS OF OPERATIONS

	Three months ended		Twelve months ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Exploration and evaluation expenditures	\$ 502,393	\$ 1,502,393	\$ 1,369,015	\$ 1,178,039
Corporate administration	35,439	108,185	560,570	1,223,512
Share-based payments	80,610	18,021	557,084	68,854
Amortization	4,787	6,655	30,785	3,271
Interest and other income	(2,259)	(13,576)	(30,061)	(34,210)
Foreign exchange loss (gain)	791	(9,526)	635	(20,631)
Write-off of property, plant and equipment		6,167	995	6,167
Provision for amount due from related party				103,033
<b>Net loss for the year</b>	<b>\$ 1,033,368</b>	<b>\$ 1,148,319</b>	<b>\$ 1,528,023</b>	<b>\$ 1,918,035</b>

### Exploration and Evaluation Expenditures

For the three and twelve month periods ended December 31, 2016, the exploration and evaluation expenditures decreased from comparable periods in prior year mainly due to HPX began funding the project costs directly since Cordoba and HPX entered Phase 1 of the JV agreement in the first quarter of 2016.

For the three and twelve month periods ended December 31, 2016 and 2015, exploration and evaluation expenditure comprises:

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Direct exploration costs	\$2,588,709	\$2,156,393	\$2,699,496	\$2,108,717
Indirect exploration costs	23,729	76,653	2,074,572	2,388,855
Site general and administration costs	42,662	269,347	2,734,039	2,701,467
Recovery from HPX	(1,955,100)		(1,139,092)	
<b>Exploration and evaluation expenditures</b>	<b>\$2,643,291</b>	<b>\$2,502,393</b>	<b>\$2,369,015</b>	<b>\$2,198,939</b>

Direct and indirect exploration costs increased for the three and twelve month periods ended December 31, 2016 compared to the same periods in 2015 due to the execution of more aggressive exploration programs. The Company's 2015/2016 exploration program which commenced in the fourth quarter of 2015 and ended in the second quarter of 2016 consisted of detailed ground magnetics, Phase 1 Typhoon IP geophysical survey, and a 3,000-metre diamond drilling campaign mainly focused on the Alacran property. The Company's 2016 exploration program, which commenced towards the end of second quarter of 2016, consists of Phase 2 expanded Typhoon IP geophysical survey and a 20,000-metre drilling program at Alacran and previously defined porphyry targets. The Company's exploration program for the comparable periods last year mainly consists of surface sampling and ground magnetics work.

Site general and administration costs increased for the three and twelve months ended December 31, 2016 compared to the same periods in 2015 mainly due to increased salaries, office general and administrative, professional fees and travel expenses associated with the increased activities at site.

#### *Corporate Administration*

Corporate administration expenditures for the three and twelve months ended December 31, 2016 increased from the comparable periods ended December 31, 2015 mainly due to increased payroll expenses for the additions made to management, increased legal and professional fees associated with corporate restructuring, increased compliance and regulatory expenses for the new OTCQX listing in the United States, and increased travel and investor relations expenses associated with the increased corporate and project activities.

#### *Share-based Payments*

For the three and twelve month periods ended December 31, 2016, share-based payments increased compared to the same periods in 2015 primarily due to the options granted in 2016 have higher fair value calculated using the Black-Scholes model due to improvement in the Company's share price. The increase in share-based payments is also attributable to more options vested during the current periods compared to same periods in 2015.

#### *Other*

For the year ended December 31, 2016 and 2015, the Company recorded a \$1,995 and \$26,167 write-down respectively of property, plant and equipment representing the write-off of the net book value of equipment retired during the periods. For the year ended December 31, 2015, the Company provided for \$103,033 as allowance for a doubtful amount due from Proyecto Coco Hondo S.A.S., a company controlled by a former director of the Company as the balance was deemed uncollectible.

## **FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

At December 31, 2016, the Company had cash and cash equivalents of \$1,027,240 (December 31, 2015 - \$1,871,192) available to apply against third-party short-term business requirements and current liabilities of \$574,565 (December 31, 2015 - \$836,195). The Company is in the exploration stage and therefore, has no cash flow from operations.

The Company's San Matias Project is a joint venture between Cordoba and High Power Exploration Inc. As of December 31, 2016, Phase Two of the Joint Venture Agreement has been completed, where HPX earned a 51% interest in the Joint Venture Company by spending \$19 million. The Company and HPX are currently in Phase Three of the JV Agreement, whereby HPX can earn a 65% interest in the JV Company by carrying the San Matias Project to feasibility. The Company cannot co-fund during Phase One, Two, and Three. Following the completion of Phase Three, each party will contribute to all JV Company expenditures in proportion to its then ownership interest in the JV.

Funds raised from previous financing are being used towards continued corporate development and general working capital purposes. The Company expects its current capital resources to be sufficient to cover its planned 2017 activities. Actual funding requirements may vary from those planned due to a number of factors, including the progress of the Company's business activities and current economic and financial market conditions. The Company will continue to pursue opportunities to raise additional capital through equity markets to fund its future exploration and operating activities; however there can be no assurance that such financing will be available on a timely basis and under terms which are acceptable to the Company.

## **OFF-BALANCE SHEET ARRANGEMENTS**

There are no off-balance sheet arrangements to which the Company is committed.

## **PROPOSED TRANSACTIONS**

There are no proposed transactions that have not been disclosed herein.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

The Company is exposed to the following financial risks: credit risk, liquidity risk and market risk.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

## Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions.

As of	December 31, 2016	December 31, 2015
Cash held in bank accounts	\$ 1,027,240	\$ 1,927,275
Term deposits	-	1,551,917
	<u>\$ 1,027,240</u>	<u>\$ 1,871,192</u>

## Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At December 31, 2016, the Company had cash and cash equivalents of \$1.0 million (December 31, 2015 - \$1.9 million) available to apply against third-party short-term business requirements and current liabilities of \$0.6 million (December 31, 2015 - \$0.8 million). All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms.

## Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates and other market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

### *Currency Risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in Colombia. The Company monitors this exposure, but has no hedge positions.

As at December 31, 2016, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	December 31, 2016		December 31, 2015	
	Colombian		Colombian	
	US Dollars	Pesos	US Dollars	Pesos
	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)	(CDN equivalent)
Cash	\$ 69,429	\$ 29,349	\$ 1,06	\$ 280,182
Other receivables	-	5,006	-	9,842
Value added tax receivable	-	854,713	-	41,749
Accounts payable and accrued liabilities	-	(305,862)	-	(254,435)
Due to related parties	(29,514)	-	(29,712)	(353,757)
	\$ 39,915	\$ 1,293,206	\$ (29,606)	\$ (66,419)

Based on the above net exposures at December 31, 2016, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an increase or decrease of approximately \$133,300 (December 31, 2015 - \$9,600) in the Company's net loss and comprehensive loss for the year.

#### Interest Rate Risk

Interest rate risk consists of two components:

- To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company considers interest rate risk to not be significant.

#### Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to any other price risk.

#### Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for accounts payable and accrued liabilities and due to related parties approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

#### Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived

from prices); and

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2016 and December 31, 2015, the Company's financial instruments are comprised of cash and cash equivalents, other receivables, value added tax receivable, accounts payable and accrued liabilities, and due to related parties. With the exception of cash and cash equivalents, all financial instruments held by the Company are measured at amortized cost.

## **CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. The Company defines its capital as all components of equity and short-term debt. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The property in which the Company currently has an interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities.

The Company's San Matias Project is a joint venture between Cordoba and HPX. HPX can earn up to a 65% interest in the San Matias Project by carrying it to feasibility.

The Company will spend its existing working capital and seek to raise additional amounts as needed by way of equity financing or debt to carry out its planned corporate development and general administrative costs. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company expects its current capital resources to be sufficient to cover its operating costs and to carry out its exploration activities through the next twelve months. As such, the Company will seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto. There have been no changes to the Company's approach to capital management during the year ended December 31, 2016.

## **RELATED PARTY TRANSACTIONS**

The Company had transactions during the years ended December 31, 2016 and 2015 with related parties consisted of directors, officers and companies with common directors and/or officers:

During the year ended December 31, 2016, the Company incurred \$1,449,000 (December 31, 2015 - \$353,000) in exploration and evaluation expenditures to HPX, a company that has significant influence over Cordoba. The costs incurred consist of technical and managerial services provided for the Company's exploration projects in Colombia.

Amount due to related parties as of December 31, 2016 includes \$29,500 (December 31, 2015 - \$30,000) due to Continental Gold Limited, a company with a former common director. The amount owing is unsecured, non-interest-bearing and payable on demand.

Amount due to related parties as of December 31, 2016 also includes \$1,570,000 (December 31, 2015 - \$353,000) due to HPX. The amount due to HPX includes a short-term loan of \$450,000 to fund the Company's corporate administration costs. The loan is due on demand or, if earlier, March 31, 2017 or the date that the Company completes any private placement or prospectus offering of common shares. The loan bears an interest of 8% per annum. The remaining balance represents cash received from HPX yet to be spent on exploration and evaluation expenditures on the San Matias project in Colombia.

During the year ended December 31, 2015, the Company wrote off \$103,033 due from Proyecto Coco Hondo S.A.S, a company controlled by a former director of the Company, as the amount is deemed unrecoverable from the related party.

These transactions are in the normal course of operations and are measured at the exchange amount of the services rendered.

### Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. For the years ended December 31, 2016 and 2015, key management compensation comprises:

For the years ended	2016	December 31, 2015
Salaries and benefits	\$ 95,625	\$ 25,000
Share-based payments	3,370,250	1,86,250
	<b>\$ 3,465,875</b>	<b>\$ 211,250</b>

### SHARE POSITION AND OUTSTANDING WARRANTS AND OPTIONS

The Company's outstanding share position as at March 30, 2017 is as follows:

	Number of Shares
Common Shares	9,046,730
Warrants	3,449,000
Stock Options	5,708,865
<b>Fully diluted share capital at March 30, 2017</b>	<b>18,204,595</b>

### Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

As at December 31, 2016, there were 2,309,524 common shares (December 31, 2015 - 6,928,542) held in escrow.

### Share Purchase Warrants

Details of share purchase warrants outstanding as of December 31, 2016 are:

Expiry date	Number of warrants	Weighted average exercise price
February 7, 2017*	5,000,000	\$1.50
April 1, 2018	1,000,000	\$0.21
January 20, 2019	50,294	\$0.86
<b>Balance at December 31, 2016</b>	<b>6,050,294</b>	<b>1.49</b>

\*Subsequent to year-end, on February 7, 2017, the Company received final approval from the TSX Venture Exchange (the "TSXV") to extend the

term of the 15,000,000 existing share purchase warrants (the “Warrants”) that were otherwise scheduled to expire on February 7, 2017. Each Warrant is now exercisable at \$1.50 until March 31, 2017, subject to acceleration in the event that the closing price of the common shares of Cordoba exceeds \$2.50 for 20 consecutive trading days. The exercise price for the Warrants remains the same. As of the date of this MD&A, the Company has issued 1,601,100 shares for the exercise of these extended warrants.

### Stock Options

The Company has in place a stock option plan (the “Plan”), which allows the Company to issue options to certain directors, officers, employees and consultants of the Company. The aggregate number of securities reserved for issuance will be not more than 10% of the number of common shares issued and outstanding from time to time. The Plan provides that the number of stock options held by any one individual may not exceed 5% of the number of issued and outstanding common shares. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the Company’s shares on the day prior to the grant date. Stock options granted under the Plan may be subject to vesting terms if imposed by the Board of Directors or required by the TSX Venture Exchange.

The following is a summary of share purchase options activity for the period ended December 31, 2016:

Grant date	Expiry date	Exercise price	Opening balance	During the period			Closing balance	Vested and exercisable	Unvested
				Granted	Exercised	Expired/Cancelled			
8-1-12	7-31-22	\$1.00	52,500	-	-	-	52,500	52,500	-
3-28-14	3-17-16	\$2.00	78,441	-	-	(78,441)	-	-	-
3-28-14	1-14-17	\$1.06	-	-	-	-	-	-	-
3-28-14	10-9-17	\$1.06	75,240	-	-	-	75,240	75,240	-
3-28-14	3-20-18	\$1.42	3,601	-	-	-	3,601	3,601	-
3-28-14	7-30-18	\$1.42	7,524	-	-	-	7,524	7,524	-
6-27-14	6-26-24	\$0.80	1,530,000	-	-	-	1,530,000	1,530,000	-
5-26-15	5-26-25	\$0.21	1,400,000	-	(37,500)	-	1,362,500	1,362,500	-
10-24-15	10-24-25	\$0.13	50,000	-	-	(150,000)	50,000	25,000	25,000
11-24-15	11-24-25	\$0.12	1,650,000	-	(112,500)	(25,000)	1,512,500	1,125,000	387,500
4-19-16	4-19-26	\$0.85	-	1,925,000	-	-	1,925,000	62,500	62,500
11-9-16	11-9-26	\$0.74	-	200,000	-	-	200,000	50,000	150,000
			<b>5,437,306</b>	<b>2,125,000</b>	<b>(150,000)</b>	<b>(253,441)</b>	<b>7,158,865</b>	<b>5,583,865</b>	<b>1,575,000</b>
<b>Weighted average exercise price</b>			<b>\$0.42</b>	<b>\$0.84</b>	<b>\$0.14</b>	<b>\$0.71</b>	<b>\$0.54</b>	<b>\$0.52</b>	<b>\$0.63</b>

### OTHER DATA

Additional information related to the Company is available for viewing at [www.sedar.com](http://www.sedar.com).

### ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

The Company has consistently applied the accounting policies and the significant judgments, estimates and assumptions set out in Notes 2, 3 and 5 of the Company’s audited consolidated financial statements for the year ended December 31, 2016 to all the periods presented in these unaudited condensed interim consolidated financial statements.

### ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET APPLIED

The following revised standards and amendments, unless otherwise stated, are effective on or after January 1, 2017, with early adoption permitted, and have not been applied in preparing these annual consolidated financial statements. The Company does not plan to adopt any of these standards early.

- i) IFRS 9, Financial Instruments (“IFRS 9”) replaces IAS 39, Financial Instruments – Recognition and Measurement (“IAS 39”) and some of the requirements of IFRS 7, Financial Instruments: Disclosures (“IFRS 7”). The objective of IFRS 9 is to establish principles for reporting of financial assets and financial liabilities in respect of the assessment of the amounts, timing and uncertainty of an entity’s future cash flows.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company is in the process of determining the impact of the adoption of this standard on the consolidated financial statements, if any.

- ii) IFRS 15, Revenue from Contracts with Customers (“IFRS 15”) replaces IAS 11, Construction Contracts (“IAS 11”), IAS 18, Revenue (“IAS 18”) and some revenue- related interpretations. The objective of IFRS 15 is to provide a single comprehensive revenue recognition model that applies to contracts with customers using two approaches to recognizing revenue – at one point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of the revenue recognized.

IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

The Company expects no impact as a result of the new requirements as the Company’s properties will not be in commercial production prior to the effective date.

- iii) IFRS 16, Leases (“IFRS 16”) replaces IAS 17, Leases (“IAS 17”). The new model requires the recognition of almost all lease contracts on a lessee’s statement of financial position as a lease liability reflecting future lease payments and a ‘right-of- use asset’ with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

The Company is in the process of determining the impact of the adoption of this standard on the consolidated financial statements, if any.

There are no other IFRS or IFRS Interpretations Committee (“IFRIC”) interpretations that are not yet effective that would be expected to have a material impact on the Company.

## **RISKS AND UNCERTAINTIES**

The Company is engaged in mineral exploration and development activities which, by nature, are speculative. Due to the high-risk nature of the Company’s business and the present stage of the Company’s various projects, an investment in the Company’s common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A and the Company’s other public disclosures, including the risks described below, prior to making any investment in the Company’s common shares.

The risks noted below do not necessarily comprise all of the risks faced by the Company. Additional risks not currently known to the Company, or that the Company currently considers immaterial, may also adversely impact the Company’s business, results of operations, financial results and prospects.

### *Mineral Property Exploration and Mining Risks*

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company's properties do not have a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

### *Title to Mineral Property Risks*

Certain of the Company's rights to the Alacran Project are subject to the terms of an option Agreement which requires the Company to make certain payments in order to obtain and secure a further interest in the property. If the Company may fail to, or may choose not to, make such payments, in which case it will forfeit its interest in the property. Any failure by the Company to obtain or secure title to the property could have an adverse effect on the Company and the value of the Company's common shares.

The Company does not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has submitted concession applications to the Colombian authorities and the timing of granting such concessions is at the discretion of the Ministry of Mines and Energy. There is ongoing risk that such governmental processes will not be completed on a timely basis. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties.

### *Commodity Price Risk*

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of its mineral property to a third party.

### *Financing and Share Price Fluctuation Risks*

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Company's project may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its project which could result in the loss of its property.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

### *Political, Economic and Currency Risks*

Although Colombia has a long-standing tradition respecting the rule of law, which has been bolstered in recent years by the present and former government's policies and programs, no assurances can be given

that the Company's plans and operations will not be adversely affected by future developments in Colombia. The Company's property interests and proposed exploration activities in Colombia are subject to political, economic and other uncertainties, including the risk of expropriation, nationalization, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions, and changing political conditions and international monetary fluctuations. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company.

The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in Colombian pesos and US dollars. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the Colombian peso or US dollar could have an adverse impact on the amount of exploration conducted.

#### *Regulatory Risks*

The mining industry in Colombia is subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record and the Company will be unable to predict what additional legislation or amendments may be enacted. Amendments to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations which are evolving in Colombia, or more stringent implementation thereof, could cause increases in expenditures and costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of its properties.

#### *Insured and Uninsured Risks*

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

#### *Environmental and Social Risks*

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are fairly significant in Colombia. Colombia is home to South America's largest and longest running insurgency. While the situation has improved dramatically in recent years, there can be no guarantee that it will not deteriorate in the future. Any increase in kidnapping, gang warfare, homicide and/or terrorist

activity in Colombia generally may disrupt supply chains and discourage qualified individuals from being involved with the Company's operations.

*Competition*

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.