CORDOBA MINERALS CORP.

Consolidated Financial Statements

For the year ended

December 31, 2018

TSX-V: CDB

Deloitte.

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Independent Auditor’s Report

To the Shareholders and the Board of Directors of
Cordoba Minerals Corp.

Opinion

We have audited the consolidated financial statements of Cordoba Minerals Corp. and its subsidiaries (the “Company”), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, changes in shareholders’ equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company incurred a net loss of $9.9 million for the year ended December 31, 2018 and has incurred cumulative losses from inception in the amount of $159.5 million at December 31, 2018. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about Cordoba Minerals Corp.’s ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises:

- Management’s Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

DELOITTE LLP

Chartered Professional Accountants

Vancouver, British Columbia

March 27, 2019

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2018 and 2017
(Expressed in Canadian Dollars)

	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents (Note 6)	**$ 747,983**	$ 2,414,435
Other receivables	**24,832**	66,855
Due from related parties (Note 13)	**-**	61,777
Prepaid expenses and deposits	**468,787**	824,219
	1,241,602	3,367,286
Non-current assets		
Colombian value added tax receivable (Note 7)	**1,311,004**	1,171,287
Property, plant and equipment (Note 8)	**1,080,394**	937,884
Investment (Note 9)	**200,000**	-
	2,591,398	2,109,171
TOTAL ASSETS	**$ 3,833,000**	$ 5,476,457
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 549,821**	$ 466,005
Due to related parties (Note 13)	**225,701**	45,921
Finance lease (Note 13)	**5,377**	-
	780,899	511,926
Non-current liabilities		
Finance lease (Note 13)	**36,922**	-
	36,922	-
Shareholders' equity		
Share capital (Note 10)	**146,258,230**	139,615,465
Equity reserves (Note 10 and 11)	**16,369,286**	15,191,447
Accumulated other comprehensive loss	**(108,001)**	(259,886)
Deficit	**(159,504,336)**	(149,582,495)
	3,015,179	4,964,531
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 3,833,000**	$ 5,476,457

Nature of operations and going concern (Note 1)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

(signed) "Peter Meredith", Director
Peter Meredith

(signed) "Ignacio Rosado", Director
Ignacio Rosado

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

	December 31, 2018	December 31, 2017
Operating expenses		
Exploration and evaluation expenditures (Note 12)	**$ 7,448,172**	$ 76,425,509
Corporate administration	**1,692,661**	2,174,425
Share-based payments (Note 11)	**671,216**	687,092
Amortization	**69,205**	75,142
	9,881,254	79,362,168
Other income (expense)		
Interest and other (expense) income	**(18,568)**	14,468
Foreign exchange loss	**(22,019)**	(2,124)
Gain on disposition of property, plant and equipment	**-**	8,590
	(40,587)	20,934
Net loss for the year	**$ (9,921,841)**	$(79,341,234)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Unrealized gain (loss) on foreign exchange translation	**151,885**	(95,761)
Comprehensive loss for the year	**$ (9,769,956)**	$(79,436,995)
Loss per share, basic and diluted	**$ (0.04)**	$ (0.57)
Weighted average number of common shares outstanding	**230,084,214**	138,016,429

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

	December 31, 2018	December 31, 2017
Operating activities		
Loss for the year	**$ (9,921,841)**	$ (79,341,234)
Items not affecting cash:		
Share-based payments	**671,216**	687,092
Amortization	**69,205**	75,142
Exploration expenditure paid with shares (Note 10)	**560,292**	71,376,307
Interest expense paid with shares	**67,174**	-
Write-off of due to related party	**-**	(29,514)
Gain on disposition of property, plant and equipment	**-**	(8,590)
Unrealized foreign exchange gain (loss)	**101,774**	(157,801)
Changes in non-cash working capital balances:		
Other receivables	**(95,922)**	(303,672)
Prepaid expenses and deposits	**355,432**	(376,265)
Accounts payable and accrued liabilities	**83,816**	(108,561)
Due to and from related party	**241,557**	(1,585,900)
	(7,867,297)	(9,772,996)
Financing activities		
Issuance of shares and warrants for cash, net of issue cost	**4,243,233**	8,685,093
Exercise of warrants	**-**	2,455,382
Exercise of stock options	**42,000**	166,500
Proceeds from short-term loan from related party	**2,236,690**	-
	6,521,923	11,306,975
Investing activities		
Disposition of property, plant and equipment	**-**	30,204
Acquisition of property, plant and equipment	**(94,443)**	(179,793)
Other investment (Note 9)	**(200,000)**	-
	(294,443)	(149,589)
(Decrease) increase in cash and cash equivalents	**(1,639,817)**	1,384,390
Effect of changes in foreign exchange rates on cash	**(26,635)**	2,805
Cash and cash equivalents, beginning of year	**2,414,435**	1,027,240
Cash and cash equivalents, end of year	**$ 747,983**	$ 2,414,435

Non-cash investing and financing activities (Note 10(a))

See accompanying notes to the consolidated financial statement

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Equity reserves: Warrants reserve	Equity reserves: Broker warrants reserve	Equity reserves: Share-based payments reserve	Accumulated other comprehensive gain (loss)	Deficit	Total
Balance, December 31, 2017	**206,438,643**	**$139,615,465**	**$10,683,695**	**$ 48,149**	**$ 4,459,603**	**$ (259,886)**	**$(149,582,495)**	**$ 4,964,531**
Net loss for the year	-	-	-	-	-	-	(9,921,841)	(9,921,841)
Settlement of Deferred Share Units (DSU)	50,000	33,500	-	-	(33,500)	-	-	-
Settlement of Restricted Share Units (RSU)	283,328	188,997	-	-	(188,997)	-	-	-
Exercise of stock options - cash proceeds	275,000	42,000	-	-	-	-	-	42,000
Fair value of stock options exercised	-	42,750	-	-	(42,750)	-	-	-
Share-based payments	-	-	-	-	671,216	-	-	671,216
Shares issued for private placement	42,894,747	3,526,210	778,200	-	-	-	-	4,304,410
Shares issued for loan and interest settlement	21,941,567	2,303,863	-	-	-	-	-	2,303,863
Shares issued for option payment settlement	5,336,103	560,292	-	-	-	-	-	560,292
Share issuance cost	-	(54,847)	(6,330)	-	-	-	-	(61,177)
Unrealized foreign exchange gain	-	-	-	-	-	151,885	-	151,885
Balance, December 31, 2018	**277,219,388**	**$146,258,230**	**$11,455,565**	**$ 48,149**	**$ 4,865,572**	**$ (108,001)**	**$(159,504,336)**	**$ 3,015,179**
Balance, December 31, 2016	86,895,436	$ 58,574,252	$ 8,306,090	$ -	$ 3,820,695	$ (164,125)	$ (70,241,261)	$ 295,651
Net loss for the year	-	-	-	-	-	-	(79,341,234)	(79,341,234)
Exercise of warrants - cash proceeds	1,701,294	2,455,382	-	-	-	-	-	2,455,382
Fair value of warrants exercised	-	599,328	(599,328)	-	-	-	-	-
Exercise of stock options - cash proceeds	450,000	166,500	-	-	-	-	-	166,500
Fair value of stock options exercised	-	151,890	-	-	(151,890)	-	-	-
Share-based payments	-	-	-	-	687,092	-	-	687,092
Shares issued for acquisition of Ventures	92,681,290	62,096,464	-	-	-	-	-	62,096,464
Shares issued for HPX Phase III spending and management fees	12,364,623	8,407,944	1,607,401	-	-	-	-	10,015,345
Shares issued for private placement	12,346,000	8,395,280	1,604,980	-	-	-	-	10,000,260
Share issuance cost	-	(1,231,575)	(235,448)	-	-	-	-	(1,467,023)
Underwriter's compensation options issued	-	-	-	48,149	103,706	-	-	151,855
Unrealized foreign exchange loss	-	-	-	-	-	(95,761)	-	(95,761)
Balance, December 31, 2017	206,438,643	$139,615,465	$10,683,695	$ 48,149	$ 4,459,603	$ (259,886)	$(149,582,495)	$ 4,964,531

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Cordoba Minerals Corp. (the “Company” or “Cordoba”) is a Canadian based exploration and development company with exploration projects located in Colombia and Arizona, USA. The principal business of the Company is the acquisition, exploration and development of precious and base metal properties. The Company was incorporated under the Business Corporations Act of British Columbia on October 20, 2009. The address of the Company’s corporate office and principal place of business is 181 University Avenue, Suite 1413, Toronto, ON, M5H 3M7. The Company’s registered address is 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8. As at December 31, 2018, High Power Exploration Inc. (“HPX”), the Company’s privately owned parent, held 75% of the Company’s issued and outstanding common shares. The ultimate controlling entity is Ivanhoe Industries LLC, a privately owned company.

The Company has interests in resource properties which it is in the process of exploring and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of resource properties is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of the resource properties, and upon future profitable production or proceeds from the disposition thereof.

The Company's consolidated financial statements are prepared using International Financial Reporting Standards applicable to a going concern, which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the year ended December 31, 2018, the Company incurred a net loss of $9,921,841 (December 31, 2017 - $79,341,234), an operating cash outflow of $7,867,297 (December 31, 2017 - $9,772,996), and an accumulated deficit of $159,504,336 as at December 31, 2018 (December 31, 2017 - $149,582,495). These circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

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. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustment could be material.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements of the Company as at and for the year ended December 31, 2018, with comparative information as at and for the year ended December 31, 2017, have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These consolidated financial statements were approved and authorized for issue by the Board of Directors on March 27, 2019.

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. Actual results may differ from these estimates. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. A subsidiary is an entity in which the Company has control, directly or indirectly. Control is defined as the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All material intercompany transactions and balances have been eliminated on consolidation.

Details of the Company's principal subsidiaries at December 31, 2018 are as follows:

Name	Place of incorporation	Ownership %	Principal activity
Cordoba Holdings Corp.	Canada	100%	Holding company
Cordoba Minerals USA Corp.	USA	100%	Exploration company
Sabre Metals Master Ltd.	Bermuda	100%	Holding company
Cordoba Mineral Holdings Ltd.	Barbados	100%	Holding company
Minerales Cordoba S.A.S.	Colombia	100%	Exploration company
Exploradora Cordoba S.A.S.	Colombia	100%	Exploration company

Functional and Presentation Currency

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

The presentation currency of the group is the Canadian dollar. All financial information has been presented in Canadian dollars in these consolidated financial statements, except when otherwise indicated.

Segment Reporting

An operating segment is a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are regularly reviewed by the entity's management, and (iii) for which discrete financial information is available. The Company has two operating segments being the acquisition, exploration and development of mineral properties in Colombia and the USA. The Company's head office is located in Toronto, Canada.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of operating segments, has been identified as the Chief Executive Officer of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities are translated at the rate of exchange prevailing when the assets were acquired or the liabilities incurred. Revenue and expense items are translated using the average rate of exchange during the financial statement periods, except for depreciation and amortization, which are translated at historic rates.

Foreign exchange gains and losses resulting from the translation of transactions and balances denominated in foreign currencies are included in the consolidated statement of loss and comprehensive loss.

The Company has determined that the functional currency of its foreign exploration subsidiaries is the US dollar. Assets and liabilities are translated to the presentation currency at the year-end rates of exchange, and the results of their operations are translated at average rates of exchange for the year. The resulting translation adjustments are included in the consolidated statements of loss and comprehensive loss.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and readily redeemable guaranteed investment certificates (“GICs”) with financial institutions. The majority of the Company’s cash and cash equivalents are held in banks in Canada and Colombia.

Financial Instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVPL"), directly attributable transaction costs. Financial instruments are recognized when the Company become party to the contracts that give rise to them and are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income, as appropriate. The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVPL are measured at fair value with changes in fair value recognized in the consolidated statements of operations.

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the consolidated statements of earnings. The election is available on an investment-by-investment basis. Investments in Bell Copper shares are designated as financial assets at FVOCI.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash, other receivables and certain other assets are classified as and measured at amortized cost.

Financial liabilities

Financial liabilities, including accounts payable and accrued liabilities and finance leases are recognized initially at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in net earnings when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities and finance leases are classified as and measured at amortized cost.

Derivative instruments

Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives are recorded in net earnings. Investments in Bell Copper warrants are designated as derivative instruments.

Fair values

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and, pricing models.

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

- Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

A loss allowance for expected credit losses in recognized in OCI for financial assets measured at amortized cost. At each balance sheet date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to investment in equity instruments.

The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12- month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting

date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

Derecognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate.

A financial liability is derecognised when the associated obligation is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in net earnings.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any provision for impairment. Cost includes the purchase price, any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the present value of the estimated costs of decommissioning and restoration, if applicable. Costs relating to major upgrades are included in property, plant and equipment if it is probable that future economic benefits associated with the expenditure will flow to the Company.

Depreciation on property, plant and equipment is recognized on a declining balance basis to write down the cost or valuation less estimated residual value of equipment. The rates generally applicable are:

- Computer equipment 30% declining-balance
- Furniture and equipment 20%-50% declining-balance
- Vehicles 20% declining-balance
- Leasehold improvements straight-line over term of lease

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

Gains or losses arising on the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the equipment and are recognized in profit or loss within 'other income' or 'other expenses'.

Leases in which the Company assumes substantially all risks and rewards of ownership are classified as finance leases. Assets held under finance leases are recognized at the lower of the fair value and the present value of minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Leases

Assets held under finance leases are recognized as discussed under "Leased assets". The corresponding liability is recognized as a finance lease obligation at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation to achieve a constant rate of interest on the remaining liability. Finance charges are recorded as a finance expense in net earnings, unless they are attributable to qualifying assets, in which case they are capitalized.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are realized.

Exploration and Evaluation Assets and Expenditures

Acquisition costs for exploration and evaluation assets and exploration expenditures, net of recoveries, are charged to operations as incurred. Acquisition costs may include cash consideration, the value of common shares issued based on fair values, and the fair value of share purchase warrants and options issued based on amounts determined using the Black-Scholes option pricing model, for mineral property interests pursuant to the terms of the agreement.

After a property is determined by management to be commercially feasible, development expenditures on the property are capitalized.

The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

Exploration and evaluation assets acquired under an option agreement where payments are made at the sole discretion of the Company are charged to operations at the time of payment. Property interests granted to others under an option agreement where payments to be made to the Company are at the sole discretion of the optionee, are recorded as recoveries at the time of receipt. Where recoveries exceed costs, such amounts are recognized in profit or loss.

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Impairment of Non-Financial Assets

Impairment tests on non-financial assets are performed whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to dispose, the asset is written down accordingly. This is determined on an asset-by-asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. If this is the case, individual assets are grouped together into a cash-generating unit ("CGU") and the impairment test is carried out on the asset's CGU, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss. An assessment is made at each reporting date as to whether there is any indication of impairment or a change in events or circumstances relating to a previously recognized impairment. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset or CGU is increased to its newly determined recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset or CGU in prior years.

Provisions

Rehabilitation Provision

The Company recognizes constructive, statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reliable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

As at December 31, 2018 and 2017, the exploration and evaluation rehabilitation costs is $Nil.

Other Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they

do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit"), and entitle the warrant holder to exercise the warrants for a stated price for a stated number of common shares in the Company. The fair value of the components of the units sold are measured using the relative fair value approach, based on the calculated fair value of the stand-alone shares through reference to the quoted market price at the completion of the financing and the fair value of the stand-alone warrant, using the Black-Scholes option pricing model.

Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to employees or others providing similar services, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received or at the fair value of the equity instruments issued (if it is determined the fair value of goods or services cannot be reliably measured), and are recorded at the date the goods or services are received.

All equity-settled share-based payments are reflected in other equity reserve, until exercised. Upon exercise, shares are issued and the amount reflected in other equity reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Income taxes

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

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit or other current tax activities, which differs from profit or loss in the consolidated financial statements. Calculation of current tax expense is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

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

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it is not recognized in the consolidated financial statements.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

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

Loss Per Share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive equity instruments are excluded from the loss per share calculation, as the effect would be anti-dilutive. Basic and diluted loss per share is the same for the years presented.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

4. CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

On January, 1 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted IFRS 9 on a retrospective basis. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The standard also had no impact on the carrying amounts of our financial instruments at the transition date.

Standards, amendments and interpretations issued but not yet applied

The following standard is effective on or after January 1, 2019, with early adoption permitted, and has not been applied in preparing these condensed interim consolidated financial statements. Management is considering the impact of this standard.

IFRS 16, Leases ('IFRS 16") replaces IAS 17, Leases ("IAS 17"). The new model requires the recognition of 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.

There are no other IFRS that are not yet effective that would be expected to have a material impact on the Company.

5. SIGNIFICANT ACCOUNTING JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

i) Going concern presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

i) The estimated useful lives of property, plant and equipment and the related depreciation.

ii) The provision for income taxes and recognition of deferred income tax assets and liabilities.

iii) The inputs used in accounting for the fair value of share-based payment transactions and valuation and measurement of warrants.

6. CASH AND CASH EQUIVALENTS

		December 31, 2018		December 31, 2017
Cash held in bank accounts	**$**	**62,258**	$	1,298,477
Term deposits		**685,725**		1,115,958
	$	**747,983**	$	2,414,435

7. COLOMBIAN VALUE-ADDED-TAX (“VAT”) RECEIVABLE

Non-current VAT receivable arises from the government of Colombia and is in respect of the Company’s exploration and development activities. The actual timing of receipt is uncertain as VAT is refundable only upon commercial operations; therefore, VAT receivable has been classified as a non-current asset.

8. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Furniture and equipment	Vehicles	Land	Total
Cost					
Balance - December 31, 2016	52,327	93,245	132,156	-	277,728
Additions	56,120	110,927	85,560	661,400	914,007
Write-offs and disposals	-	-	(150,477)	-	(150,477)
Foreign exchange	572	1,089	722	3,160	5,543
Balance - December 31, 2017	**109,019**	**205,261**	**67,961**	**664,560**	**1,046,801**
Additions	**40,217**	**53,805**	**42,721**	**-**	**136,743**
Write-offs and disposals	**(6,090)**	**(1,239)**	**-**	**-**	**(7,329)**
Foreign exchange	**11,259**	**17,759**	**10,494**	**57,663**	**97,175**
Balance - December 31, 2018	**$ 154,405**	**$ 275,586**	**$ 121,176**	**$ 722,223**	**$ 1,273,390**
Accumulated amortization					
Balance - December 31, 2016	33,754	33,521	98,328	-	165,603
Charge for the period	19,607	25,689	29,846	-	75,142
Write-offs and disposals	-	-	(130,148)	-	(130,148)
Foreign exchange	(370)	(483)	(827)	-	(1,680)
Balance - December 31, 2017	**52,991**	**58,727**	**(2,801)**	**-**	**108,917**
Charge for the period	**23,926**	**23,297**	**21,982**	**-**	**69,205**
Write-offs and disposals	**(2,506)**	**(640)**	**-**	**-**	**(3,146)**
Foreign exchange	**6,506**	**5,987**	**5,527**	**-**	**18,020**
Balance - December 31, 2018	**$ 80,917**	**$ 87,371**	**$ 24,708**	**$ -**	**$ 192,996**
Net book value					
As of December 31, 2017	$ 56,028	$ 146,534	$ 70,762	$ 664,560	$ 937,884
Balance - December 31, 2018	**$ 73,488**	**$ 188,215**	**$ 96,468**	**$ 722,223**	**$ 1,080,394**

9. INVESTMENT

On August 27, 2018, the Company, through its wholly-owned subsidiary Cordoba Minerals (USA) Corp., entered into a joint venture and earn-in agreement (the "Joint Venture Agreement") with Bell Copper Corporation (TSXV: BCU) ("Bell Copper") and certain of its wholly-owned subsidiaries, to explore the copper porphyry project located in northwestern Arizona, USA (the "Arizona Copper Project").

Pursuant to the terms of the Joint Venture Agreement, and as part of the initial commitment to the project, Cordoba subscribed for 2,857,143 units of Bell Copper on a private placement basis at a price of $0.07 per unit. Each unit consists of 1 common share in the capital of Bell Copper and 1 common share purchase warrant, with each warrant exercisable at a price of $0.105 per share

for a period ending 12 months from the date of issuance. The warrants are subject to a mandatory exercise in the event that, at any time prior to the expiry of the warrants, Bell Copper's common shares trade at or above $0.14 for 30 consecutive trading days.

As of December 31, 2018, the investment in Bell Copper is valued as follows:

		December 31, 2018		December 31, 2017
Bell Copper common shares	**$**	**171,429**	$	-
Bell Copper warrants		**28,571**		-
	$	**200,000**	$	-

In addition to the unit subscription, Cordoba also funded $300,000 in cash for initial drilling expenditures at the Arizona Copper Project.

Following the completion of the initial drilling program, Cordoba has the option to earn up to an 80% interest in the Arizona Copper Project (by way of acquisition of membership interests in the joint venture company MMDEX LLC, a wholly-owned indirect subsidiary of Bell Copper) by completing certain phased project expenditures over a 7.5 year period as follows:

- Phase 1 - $1M within 18 months to earn 25% interest (in progress)
- Phase 2 - Additional $3M within subsequent 2 years for a total of 51% interest
- Phase 3 - Additional $3M within subsequent 2 years for a total of 70% interest
- Phase 4 - Additional $10M within subsequent 2 years for a total of 80% interest

10. SHARE CAPITAL

(a) Common Shares

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

On August 3, 2018, the Company closed a non-brokered private placement (the "August Placement") with HPX. Under the terms of the August Placement, Cordoba issued 16,289,619 common shares to HPX for gross proceeds to the Company totalling US$1.3 million (CDN$1.7 million).

On August 3, 2018, Cordoba also converted the principal and interest owed to HPX under the short-term loans that it previously advanced to the Company (the "Loans") into common shares (the "Debt Conversion") at a price per share that is equal to the issue price under the August Placement. Accordingly, HPX has received an additional 21,941,567 common shares in connection with converting the approximately US$1.75 million (CDN$2.3 million) owed under the Loans.

On August 3, 2018, Cordoba also issued 5,336,103 shares to HPX at the same price per share as under the August Placement to satisfy a deferred payment owed to HPX totalling

US$425,850 (CDN$560,292) relating to Cordoba's acquisition of the Alacran Project (the "Omni Settlement").

On October 10, 2018, the Company closed a non-brokered private placement (the "October Placement") with HPX. Under the terms of the October Placement, Cordoba issued 26,605,128 Units in the Company at a deemed price of C$0.0975 per Unit for gross proceeds to the Company totaling US$2.0 million (C$2.6 million). Each Unit consists of one common share ("Share") and one common share purchase warrant ("Warrant") of the Company. Each Warrant entitles the holder to purchase one Share at an exercise price of C$0.13 per Share for a period of 24 months following the closing of the October Placement.

The common shares issued in connection with the August Placement, October Placement, Debt Conversion and Omni Settlement are subject to a statutory four month hold period.

(b) Share Purchase Warrants

A summary of share purchase warrants activity for the year ended December 31, 2018 is as follows:

	Number of warrants	Exercise price
Balance - December 31, 2017	12,405,411	$1.08
Expired	(50,100)	$0.21
Granted	26,605,128	$0.13
Balance - December 31, 2018	**38,960,439**	

Details of share purchase warrants outstanding as of December 31, 2018 are:

Expiry date	Number of warrants	Weighted average exercise price
July 11, 2019	12,355,311	$1.08
October 19, 2020	26,605,128	$0.13
Balance - December 31, 2018	**38,960,439**	**$0.43**

(c) Compensation Options

As of December 31, 2018, there are 370,380 compensation options outstanding (December 31, 2017 – 370,380). The compensation options were granted to the syndicate of underwriters in connection with the July 2017 Offering. Each compensation option can be exercised into one Cordoba common share and one-half of one Cordoba common share purchase warrant at an exercise price of $0.81 until January 11, 2019. Each common share purchase warrant will be exercisable to acquire one common share of the Company at a price of $1.08 until July 11, 2019.

11. SHARE-BASED COMPENSATION

Share Purchase 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 year ended December 31, 2018:

				During the year					
Grant date	Expiry date	Exercise price	Opening balance	Granted	Exercised	Expired/ Cancelled/ Forfeited	Closing balance	Vested and exercisable	Unvested
8-1-12	7-31-22	$1.00	37,500	-	-	-	37,500	37,500	-
3-28-14	3-20-18	$1.42	73,601	-	-	(73,601)	-	-	-
3-28-14	7-30-18	$1.42	17,524	-	-	(17,524)	-	-	-
6-27-14	6-26-24	$0.80	1,430,000	-	-	(375,000)	1,055,000	1,055,000	-
5-26-15	5-26-25	$0.21	1,112,500	-	(100,000)	(187,500)	825,000	825,000	-
10-24-15	10-24-25	$0.13	300,000	-	-	-	300,000	300,000	-
11-24-15	11-24-25	$0.12	1,437,500	-	(175,000)	(137,500)	1,125,000	1,125,000	-
4-19-16	4-19-26	$0.85	1,925,000	-	-	(200,000)	1,725,000	1,725,000	-
11-9-16	11-9-26	$0.74	100,000	-	-	-	100,000	100,000	-
7-31-17	7-31-22	$0.81	150,000	-	-	(150,000)	-	-	-
11-20-17	11-20-22	$0.58	75,000	-	-	-	75,000	37,500	37,500
3-13-18	3-13-23	$0.20	-	4,350,000	-	(325,000)	4,025,000	-	4,025,000
4-9-18	4-9-23	$0.17	-	400,000	-	-	400,000	-	400,000
			6,658,625	**4,750,000**	**(275,000)**	**(1,466,125)**	**9,667,500**	**5,205,000**	**4,462,500**
Weighted ave. exercise price			**$ 0.55**	**$ 0.20**	**$ 0.15**	**$ 0.57**	**$ 0.38**	**$ 0.54**	**$ 0.20**

As at December 31, 2018, the unrecognized stock option value was $295,267 (December 31, 2017 - $59,844).

The weighted average remaining contractual life of the options outstanding at December 31, 2018 is 5.52 years (December 31, 2017 – 7.41 years).

For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions and a forfeiture rate of 0%:

			Black-Scholes Option Pricing Parameters			
Current year grant	**Number of options**	**Exercise price**	**Dividend yield**	**Risk-free interest rate**	**Expected life (years)**	**Volatility factor**
13-Mar-18	4,350,000	$ 0.20	0%	2.03%	5	90.97%
09-Apr-18	400,000	$ 0.165	0%	2.00%	5	91.14%

Deferred Share Unit

Pursuant to the terms of the Company's Deferred Share Unit Plan, the Company may grant deferred share units ("DSUs") to the Company's directors. Upon participant's retirement, the Company may elect to settle the DSUs with cash or shares of the Company at the discretion of the Board. The fair value of a DSU is determined as the fair market value of a common share of the Company on grant date.

A summary of DSU activity for the year ended December 31, 2018 is as follows:

	Number of DSUs
Balance - December 31, 2017	350,000
Granted	-
Cancelled	-
Redeemed	(50,000)
Balance - December 31, 2018	**300,000**

Other Equity-based Instruments

Pursuant to the terms of the Company's Long Term Incentive Plan, the Company may grant restricted share units ("RSUs") as well as performance share units ("PSUs") to eligible participants. On entitlement date, the Company may elect to settle the RSUs with cash or shares of the Company at the discretion of the Board. The fair value of an RSU and PSU is determined as the fair market value of a common share of the Company on grant date.

A summary of other equity-based instruments activity for the year ended December 31, 2018 is as follows:

	Number of RSUs
Balance - December 31, 2017	1,035,000
Granted	-
Forfeited	(195,000)
Redeemed	(283,328)
Balance - December 31, 2018	**556,672**

12. EXPLORATION AND EVALUATION EXPENDITURES

For the years ended December 31, 2018 and 2017, exploration and evaluation ("E&E") expenditure comprises:

	December 31, 2018	December 31, 2017
Direct exploration costs	**$ 1,804,006**	$ 6,858,232
Indirect exploration costs	**2,427,483**	5,184,758
Site general and administration costs	**1,937,379**	1,971,230
E&E acquisition costs	**1,279,304**	62,411,289
Exploration and evaluation expenditures	**$ 7,448,172**	$ 76,425,509

For the year ended 2018, the Company wrote off $75,000 related to deposits made on certain purchase agreements that the Company will not continue to pursue at this time as a result of the work performed relating to the criminal lawsuit during and subsequent to the year as described in Note 19. As the Company has suspended these purchase agreements, it was determined the deposits previously paid have no future benefit and therefore, were expensed during the year ended December 31, 2018 as indirect exploration costs.

The Company also expensed $373,000 of compensation payment for land use and community support program related to prior drilling campaign and exploration activity in the area. These amounts were previously recorded as prepaid expenses at the end of fiscal 2017 and expensed as indirect exploration costs in 2018.

13. RELATED PARTY TRANSACTIONS

The Company had transactions during the years ended December 31, 2018 and 2017 with related parties consisted of directors, officers, company that is the controlling shareholder of Cordoba and company that is owned partially by Cordoba:

During the year ended December 31, 2018, the Company incurred $349,404 (December 31, 2017 - $2,267,979) in exploration and evaluation expenditures with HPX, a company that is the controlling shareholder of Cordoba. The costs incurred consist of technical and managerial services provided for the Company's exploration projects.

During the year ended December 31, 2018, the Company incurred $537,601 (December 31, 2017 - $225,292) in exploration and evaluation and corporate administration expenditures with Global Mining Management Corporation ("GMM"), a company that is owned equally by eight companies, one of which is Cordoba. The costs incurred consist of cost sharing, technical and managerial services provided to the Company under the "Shareholders' Corporate Management and Cost Sharing Agreement" between the Company and GMM. The investment in GMM is held at $Nil on the consolidated statements of financial position.

Amount due to related parties as of December 31, 2018 consists of $114,176 (December 31, 2017 - $43,626) net payable to GMM and $111,525 (December 31, 2017 - $Nil) net payable to HPX. The amounts owing are unsecured, non-interest-bearing and payable on demand.

In December 2018, an officer of the Company financed a vehicle on behalf of the Company for the operation in Arizona. The Company is leasing the vehicle back from the officer. The lease term is 72 months at an interest rate of 11.29%.

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, 2018 and 2017, key management compensation comprises:

	December 31, 2018	December 31, 2017
Salaries and benefits	**$ 855,819**	$ 1,077,117
Share-based payments*	**517,000**	320,000
	$ 1,372,819	$ 1,397,117

**Share-based payments represent fair value of stock options granted during the reporting period estimated on the date of grant using the Black-Scholes option pricing model.*

***As of December 31, 2018, the Company had 5 officers and 6 directors whose compensation were included in the table above.*

14. SEGMENTED INFORMATION

The Company has two operating segments being the acquisition, exploration and development of mineral properties in Colombia and the USA. The Company's head office is located in Toronto, Canada. The exploration expenditures for the years ended December 31, 2018 and 2017 respectively were incurred in Colombia and the USA as follows:

	Colombia		USA	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Direct exploration costs	**$ 1,113,148**	$ 6,858,232	**$ 690,858**	$ -
Indirect exploration costs	**2,385,313**	5,184,758	**42,170**	-
Site general and administration costs	**1,906,364**	1,971,230	**31,015**	-
E&E acquisition costs	**1,279,304**	62,411,289	**-**	-
Exploration and evaluation expenditures	**$ 6,684,129**	$ 76,425,509	**$ 764,043**	$ -

The Company's non-current assets are located in Colombia and USA as follows with the remainder located at the corporate office in Canada:

	Colombia		USA	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Colombian value added tax receivable	**$ 1,311,004**	$ 1,171,287	**$ -**	$ -
Property, plant and equipment	**1,032,512**	937,884	**42,009**	-
Investment	**-**	-	**-**	-
Non-current assets	**$ 2,343,516**	$ 2,109,171	**$ 42,009**	$ -

15. FINANCIAL INSTRUMENTS

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 condensed interim 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.

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, 2018, the Company had cash and cash equivalents of $0.7 million (December 31, 2017 - $2.4 million) to apply against third-party short-term business

requirements and current liabilities of $0.5 million (December 31, 2017 - $0.5 million). Majority 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 and cash and borrowings in USD. The Company monitors this exposure, but has no hedge positions.

As at December 31, 2018, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	December 31, 2018		**December 31, 2017**	
	US Dollars (CDN equivalent)	**Colombian Pesos** (CDN equivalent)	**US Dollars** (CDN equivalent)	**Colombian Pesos** (CDN equivalent)
Cash and cash equivalents	**$ 713,994**	**$ 9,467**	$ 6,945	$ 131,751
Other receivables	**-**	**8,581**	-	51,475
Accounts payable and accrued liabilities	**-**	**(189,653)**	-	(349,114)
Due to related parties	**(142,858)**	**-**	-	-
Finance lease	**(42,300)**	**-**	-	-
	$ 528,836	**$ (171,605)**	$ 6,945	$ (165,888)

Based on the above net exposures at December 31, 2018, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an increase or decrease of approximately $35,700 (December 31, 2017 - $15,900) in the Company's net loss and comprehensive loss for the year.

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 cash and cash equivalents, other receivables, due from related parties, 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).

Investments in traded equity securities are valued using level one. Investments in instruments and warrants are valued using level two.

16. 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 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, 2018.

17. INCOME TAXES

A reconciliation of income taxes computed at Canadian statutory rates to the reported income taxes is provided as follows:

	December 31, 2018	December 31, 2017
Net loss for the year	**$ 9,921,841**	$ 79,341,234
Canadian statutory tax rate	**26.5%**	26.5%
Tax at statutory Canadian rate	**2,629,000**	21,025,000
Tax at foreign tax rate	**266,000**	745,000
Items not deductible for income tax purposes	**(739,000)**	(17,802,000)
Unrecognized deferred income tax asset	**(2,156,000)**	(3,968,000)
Total	**$ -**	$ -

The Company has tax losses (expiring over the period 2037-2038) and other deductible temporary differences as listed below, the benefits of which have not been recognized in these financial statements, as management does not consider their utilization in the foreseeable future to be probable.

	December 31, 2018	December 31, 2017
Canadian tax losses expiring 2037-2038	**$ 3,888,000**	$ 11,348,000
US tax losses expiring 2036-2038	**523,000**	371,000
Colombian tax losses	**94,000**	53,000
Exploration and evaluation assets	**22,185,000**	18,472,000
Share issue costs	**860,000**	1,146,000
Equipment and other	**3,000**	-
Unrecognized deferred tax assets	**$ 27,553,000**	$ 31,390,000

18. COMMITMENTS

The Company has commitments relating to two office leases ending January and September 2020 respectively and a finance truck lease ending November 2024. The minimum annual payments for the next 6 years are as follows:

	Amount
2019	106,687
2020	47,187
2021	9,881
2022	9,881
2023	9,881
2024	9,057
Total	**$ 192,573**

19. CONTINGENCIES

Cordoba filed criminal law suits in late 2018 and in January 2019 with the Colombian prosecutors against nine members of former Colombian management alleging breach of fiduciary obligations, abuse of trust, theft and fraud. The Colombian prosecutor service will determine if any formal charges should be laid. The Company is also seeking civil damages against some of these individuals. We cannot reasonably predict the likelihood or outcome of the lawsuit.

20. SUBSEQUENT EVENT

Private Placement

On February 14, 2019, the Company announced that it proposed to complete a non-brokered private placement (the "Offering") of up to 20,000,000 units of the Company (the "Units") at a price of $0.10 per Unit, for gross proceeds of up to $2,000,000. Each Unit will consist of one common share ("Share") of the Company and one common share purchase warrant ("Warrant"). Each Warrant will entitle the holder, on exercise, to purchase one Share for a period of 24 months following the closing date of the initial tranche of the Offering at the exercise price of $0.12 per Share.

On February 19, 2019, the Company further announced that it proposed to increase the Offering by an additional 5,000,000 Units of the Company at a price of $0.10 per Unit. The Offering will be for up to 25,000,000 Units, for gross proceeds of up to $2,500,000.

On February 25, 2019, the Company announced that it completed the first tranche of the Offering. In connection with the closing of this tranche of the Offering, the Company issued an aggregate of 15,000,000 units of the Company (the "Units") at a price of $0.10 per Unit for gross proceeds of $1,500,000. In connection with subscriptions received in the first tranche of the Offering, the Company paid an aggregate finder's fees of $4,550.

On March 1, 2019, the Company announced the completion of the second tranche of the Offering. In connection with the closing of the second tranche of the Offering, the Company issued an aggregate of 6,800,000 units of the Company (the "Units") at a price of $0.10 per Unit for gross proceeds of $680,000. In connection with subscriptions received in the second tranche of the Offering, the Company paid an aggregate finder's fees of $37,100.

On March 11, 2019, the Company announced that it completed the third and final tranche of the Offering. In connection with the closing of this final tranche of the Offering, the Company has issued an aggregate of 1,000,000 Units of the Company at a price of $0.10 per Unit for gross proceeds of $100,000. A total of 22,800,000 Units have been placed in the Offering for total gross proceeds of $2,280,000. No finder's fees were paid in connection with subscriptions received in the third and final tranche of the Offering.

Net proceeds from the Offering will be used to advance exploration activities at the Perseverance Project in Arizona, USA, where recent drilling has indicated proximity to a Laramide porphyry copper system, and will include continuation of drilling activities and preparation and permitting for geophysical surveys, including HPX's Typhoon™ technology. Remaining funds will be used for general corporate purposes.

The Offering constitutes a "related party transaction" under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101") as HPX is a related party of Cordoba given its greater than 10% beneficial shareholding and the directors and officers that participate in the Offering are also related parties of Cordoba. Pursuant to Section 5.5(a) and 5.7(1)(a) of MI 61-101, the Company is exempt from obtaining a formal valuation and minority approval of the Company's shareholders in respect of the Offering due to the fair market value of the related parties' participation in the Offering being below 25% of the Company's market capitalization for purposes of MI 61-101. The Company will file a material change report in respect of the Offering. However, the material change report will be filed less than 21 days prior to the closing of the Offering, which is consistent with market practice and the Company deems reasonable in the circumstances.

Extension of Alacran Option Payment with OMNI

Cordoba and Sociedad Ordinaria de Minas Omni ("OMNI") have agreed to a 3-month extension to the US$1,000,000 advance payment previously due to OMNI on February 27, 2019. The Company has an option agreement with OMNI to earn a 100% interest in the Alacran Copper-Gold Project, which is located within Cordoba's San Matias Project.