



**cordoba**  
M I N E R A L S

**CORDOBA MINERALS CORP.**

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

## 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. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (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, 2023 and 2022, 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.

### Material Uncertainty related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$35.38 million and had no operating revenues or operating sources of cash flow during the year ended December 31, 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

## **JCHX Transaction – Refer to note 14 in the financial statements**

### **Key Audit Matter Description**

On May 8, 2023, the Company announced that Cordoba and JCHX Mining Management Co., Ltd ("JCHX") closed a 100 million US Dollar strategic arrangement (the "JCHX Transaction") for the joint-development of the Alacran Project in Colombia. Upon closing, JCHX funded the initial installment towards its 50% ownership interest in CMH Colombia S.A.S. ("CMH"), a company existing under the laws of Colombia, which owns 100% of the Alacran Project and is the joint venture vehicle for Cordoba and JCHX in this strategic project level partnership.

To determine the accounting treatment of the JCHX Transaction, management was required to make judgments and as such, auditing the accounting treatment required complex analysis and consideration which resulted in an increased extent of audit effort, including the need to involve technical accounting specialists.

### **How the Key Audit Matter was Addressed in the Audit**

With the assistance of technical accounting specialists, our audit procedures related to management's determination of the accounting treatment of the JCHX Transaction included the following, among others:

- Assessing the information in the JCHX Transaction agreements to evaluate that all relevant matters in the agreement have been considered;
- Evaluating management's determination of the accounting treatment of the JCHX Transaction by analyzing specific facts and circumstances against relevant accounting guidance.

### **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 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael Van Wyk.

/s/ Deloitte LLP

Chartered Professional Accountants  
Vancouver, British Columbia  
April 3, 2024

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Stated in thousands of Canadian dollars)

	Notes	December 31, 2023	December 31, 2022
<b>ASSETS</b>			
Current assets			
Cash		\$ 5,078	\$ 10,981
Due from related parties	16(a)	34,372	-
Other receivables		96	73
Prepaid expenses and deposits	6	776	1,065
<b>Total current assets</b>		<b>40,322</b>	<b>12,119</b>
Non-current assets			
Exploration and evaluation assets	7	8,336	4,750
Property, plant and equipment	8	3,338	2,160
Financial assets	9	371	371
<b>TOTAL ASSETS</b>		<b>\$ 52,367</b>	<b>\$ 19,400</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 4,346	\$ 4,712
Income tax payable	14(a)	2,498	-
Due to related parties	16(a)	894	21,647
Lease liability	10(b)	402	237
<b>Total current liabilities</b>		<b>8,140</b>	<b>26,596</b>
Non-current liabilities			
Due to related parties	16(a)	-	13,558
Lease liability	10(b)	861	185
<b>TOTAL LIABILITIES</b>		<b>\$ 9,001</b>	<b>\$ 40,339</b>
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>			
Share capital	11	\$ 208,782	\$ 208,272
Equity reserves	11,12	90,751	20,853
Accumulated other comprehensive (loss) income		(678)	494
Deficit		(273,461)	(250,558)
Shareholders' equity (deficit) attributable the Company		25,394	(20,939)
Non-controlling interest	14	17,972	-
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIT)</b>		<b>\$ 43,366</b>	<b>\$ (20,939)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		<b>\$ 52,367</b>	<b>\$ 19,400</b>

Description of business and going concern (Note 1)

Subsequent events (Notes 14(a), 14(b) and 16(a))

Approved and authorized for issue on behalf of the Board on April 3, 2024:

/s/ William Orchow

William Orchow, Director

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Stated in thousands of Canadian dollars, except for share and per share amounts)

		Year ended December 31,	
	Notes	2023	2022
<b>Operating expenses</b>			
Exploration and evaluation expenditures		\$ 33,279	\$ 25,049
Corporate administration	13	3,386	3,968
Depreciation	8	611	368
Loss from operations		37,276	29,385
<b>Other expenses (income)</b>			
Interest expense		2,128	963
Interest income	16(a)(iii)	(2,642)	-
Foreign exchange (gain) loss		(1,338)	1,263
Other income		(47)	-
Loss before income taxes		35,377	31,611
Income taxes		-	-
Net loss for the year		\$ 35,377	\$ 31,611
<b>Other comprehensive loss (income)</b>			
Items that may be reclassified subsequently to loss:			
Currency translation adjustment		1,219	(319)
Items that will not be reclassified subsequently to loss:			
Change in fair value of marketable securities	9	-	115
Total other comprehensive loss (income)		1,219	(204)
<b>Total comprehensive loss for the year</b>		<b>\$ 36,596</b>	<b>\$ 31,407</b>
Net loss attributable to:			
Owners of Cordoba Minerals Corp.		\$ 22,903	\$ 31,611
Non-controlling interest	14	12,474	-
Net loss for the year		\$ 35,377	\$ 31,611
Total comprehensive loss attributable to:			
Owners of Cordoba Minerals Corp.		\$ 24,075	\$ 31,407
Non-controlling interest	14	12,521	-
Total comprehensive loss for the year		\$ 36,596	\$ 31,407
Loss per share attributable to common shareholders (basic and diluted)	3(p)	\$ 0.31	\$ 0.35
Weighted average number of basic and diluted common shares outstanding			
		89,413,887	89,143,056

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in thousands of Canadian dollars)

		Year ended December 31,	
	Notes	2023	2022
<b>Operating activities</b>			
Net loss for the year		\$ (35,377)	\$ (31,611)
Adjustments for non-cash items:			
Share-based payments	12	633	929
Depreciation	8	611	368
Interest expense		2,128	963
Interest income	16(a)(iii)	(2,642)	-
Loss on disposition of property, plant and equipment		2	4
Unrealized foreign exchange (gain) loss		(1,772)	1,345
Other income		(47)	-
Changes in non-cash working capital items:			
Receivables		(3,612)	(2,270)
Prepaid expenses and deposits		289	74
Accounts payable and accrued liabilities		(363)	3,834
Due to/from related parties		(239)	654
<b>Cash used in operating activities</b>		<b>\$ (40,389)</b>	<b>\$ (25,710)</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment	8	(796)	(453)
<b>Cash used in investing activities</b>		<b>\$ (796)</b>	<b>\$ (453)</b>
<b>Financing activities</b>			
Non-controlling interest's investment in subsidiary	14(a)	52,710	-
Settlement of short-term loans from related parties	16(a)	(30,273)	-
Proceeds from short-term loan from related parties	16(a)	16,461	19,004
Proceeds from long-term loan from related party		-	13,544
Income taxes paid	14(a)	(1,805)	-
Settlement of restricted and deferred share units	12	(32)	(27)
Payments of lease liabilities	10(b)	(403)	(228)
Interest paid	10(b),16(a)	(2,391)	(47)
<b>Cash from financing activities</b>		<b>\$ 34,267</b>	<b>\$ 32,246</b>
Effect of changes in foreign exchange rates on cash		1,015	(53)
(Decrease) increase in cash		(5,903)	6,030
Cash, beginning of year		10,981	4,951
<b>Cash, end of year</b>		<b>\$ 5,078</b>	<b>\$ 10,981</b>

Supplemental cash flow information (Note 15)

See accompanying notes to the consolidated financial statements.



## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Stated in thousands of Canadian dollars, except for share amounts)

	Equity reserves						Accumulated other comprehensive income (loss)	Shareholders' (deficit) equity attributable to owners of Cordoba Minerals Corp.	Non-controlling interest (Note 14)	Total
	Number of common shares (Note 11(a))	Share capital	Warrants reserve	Share-based payments reserve	Other reserve	Deficit				
<b>Balance at December 31, 2022</b>	<b>89,237,671</b>	<b>\$ 208,272</b>	<b>\$ 14,279</b>	<b>\$ 6,574</b>	<b>\$ -</b>	<b>\$ 494</b>	<b>\$ (250,558)</b>	<b>\$ (20,939)</b>	<b>\$ -</b>	<b>\$ (20,939)</b>
Net loss for the year	-	-	-	-	-	-	(22,903)	(22,903)	(12,474)	(35,377)
Non-controlling interest's investment in subsidiary (other reserve net of \$3,801 income tax) (Note 14(a))	-	-	-	-	69,807	-	-	69,807	30,493	100,300
Settlement of Deferred Share Units (Note 12(b))	122,493	135	-	(135)	-	-	-	-	-	-
Settlement of Restricted Share Units (Note 12(c))	453,772	375	-	(407)	-	-	-	(32)	-	(32)
Share-based payments (Note 12(d))	-	-	-	633	-	-	-	633	-	633
Other comprehensive loss	-	-	-	-	-	(1,172)	-	(1,172)	(47)	(1,219)
<b>Balance at December 31, 2023</b>	<b>89,813,936</b>	<b>\$ 208,782</b>	<b>\$ 14,279</b>	<b>\$ 6,665</b>	<b>\$ 69,807</b>	<b>\$ (678)</b>	<b>\$ (273,461)</b>	<b>\$ 25,394</b>	<b>\$ 17,972</b>	<b>\$ 43,366</b>
Balance at December 31, 2021	89,120,708	\$ 208,034	\$ 14,279	\$ 5,910	\$ -	\$ 290	\$ (218,947)	\$ 9,566	\$ -	\$ 9,566
Net loss for the year	-	-	-	-	-	-	(31,611)	(31,611)	-	(31,611)
Settlement of Deferred Share Units (Note 12(b))	26,529	65	-	(77)	-	-	-	(12)	-	(12)
Settlement of Restricted Share Units (Note 12(c))	90,434	173	-	(188)	-	-	-	(15)	-	(15)
Share-based payments (Note 12(d))	-	-	-	929	-	-	-	929	-	929
Other comprehensive income	-	-	-	-	-	204	-	204	-	204
Balance at December 31, 2022	89,237,671	\$ 208,272	\$ 14,279	\$ 6,574	\$ -	\$ 494	\$ (250,558)	\$ (20,939)	\$ -	\$ (20,939)

See accompanying notes to the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

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## 1. DESCRIPTION OF BUSINESS AND GOING CONCERN

Cordoba Minerals Corp. (the “Company” or “Cordoba”) is a publicly listed company incorporated under the laws of British Columbia, Canada. Its shares are listed on the TSX Venture Exchange under the symbol CDB. The Company’s head office and registered office are located at Suite 606-999 Canada Place, Vancouver, British Columbia, Canada, V6C 3E1.

At December 31, 2023, Ivanhoe Electric Inc. (“Ivanhoe Electric”), the Company’s publicly-listed majority shareholder, held 62.8% of the Company’s issued and outstanding common shares (December 31, 2022 – 63.2%).

The Company, together with its subsidiaries, is a mineral exploration, evaluation and development group focused on projects located in Colombia and the United States. The principal business of the Company is the acquisition, exploration, evaluation and development of base and precious metal properties.

The Company's consolidated financial statements are prepared on a going concern basis, 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, 2023, the Company had no operating revenue and incurred a net loss of \$35.38 million (December 31, 2022 - \$31.61 million). At December 31, 2023, the Company had consolidated cash of \$5.08 million (December 31, 2022 - \$10.98 million) to apply against current liabilities of \$8.14 million (December 31, 2022 - \$26.60 million).

At December 31, 2023, the Company believes that it has adequate resources to maintain its minimum obligations, including general corporate activities, based on its cash position, the strategic arrangement with JCHX Mining Management Co., Ltd. (“JCHX”) for the joint-development of the Company’s Alacran Project (Note 14) and its ability to pursue additional sources of financing, including equity placements.

The Company currently has no source of operating cash flow, and it has no assurance that additional funding will be available to it for additional exploration, evaluation and development programs at its properties, or to enable the Company to fulfill its obligations under any applicable agreements. The Company’s ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore and evaluate its mineral properties and, ultimately, to achieve profitable operations. Significant reliance is placed on the funds to be received from JCHX to advance the Alacran Project (Note 14). The failure or inability of JCHX to provide such funding would result in the need for Cordoba to find a replacement funding source. As such, there is a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

These consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

## 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) *Basis of measurement*

These consolidated financial statements have been prepared on the historical cost basis except as disclosed in these accounting policies.

(b) *Functional and presentation currency*

These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency (the currency of the primary economic environment in which the entity operates). Each subsidiary of the Company determines its own functional currency, and items included in the financial statements of each subsidiary are measured using that functional currency. The functional currency of Cordoba's 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.

References to "\$" are to Canadian dollars.

(c) *Basis of consolidation*

These consolidated financial statements include the accounts of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from the entity's activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Where the Company's interest in a subsidiary is less than 100%, the interest attributable to non-controlling shareholders is recognized as non-controlling interest.

Non-controlling interest represents the equity in a subsidiary not attributable, directly and indirectly, to the Company and is presented as a separate component of equity. Subsequent to the acquisition date, adjustments are made to the carrying amount of non-controlling interests for the non-controlling interests' share of changes to the subsidiary's equity. Losses within a subsidiary continue to be attributed to non-controlling interest even if that results in a deficit balance. In situations where the Company funds a disproportionate share of costs, such as under the earn-in agreement described in Note 14(b), the cost sharing arrangement is considered when attributing losses in the statement of loss to non-controlling interest.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amounts of the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

At December 31, 2023 and 2022, the Company's significant subsidiaries are as follows:

Name of significant subsidiaries	Place of incorporation or registration	Method of accounting at December 31,		Effective ownership interest at December 31,	
		2023	2022	2023	2022
Cordoba Minerals USA Corp.	USA	Consolidation	Consolidation	100%	100%
MMDEX LLC	USA	Consolidation	Consolidation	51%	51%
Minerales Cordoba S.A.S.	Colombia	Consolidation	Consolidation	100%	100%
Exploradora Cordoba S.A.S.	Colombia	Consolidation	Consolidation	100%	100%
CMH Colombia S.A.S.	Colombia	Consolidation	Consolidation	50%	100%

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated on consolidation. Unrealized losses are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

(d) *Business combinations*

Acquisitions of subsidiaries which represent business combinations are accounted for using the acquisition method. The consideration transferred is measured at the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets and liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date, except for certain assets and liabilities which are recognized and measured in accordance with the applicable IFRS guidance.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets and liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Transaction costs, other than those associated with the issuance of debt or equity securities that the Company incurs in connection with a business combination, are expensed as incurred.

(e) *Foreign currency*

(i) *Foreign currency transactions*

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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translated into the functional currency at the exchange rate on the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the exchange rate on the date when the fair value was measured. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

*(ii) Foreign operations*

The assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rates at the date of the statement of financial position. The income and expenses of foreign operations are translated into Canadian dollars at the exchange rates prevailing on the transaction dates.

Foreign currency differences are recognized in other comprehensive income and accumulated in other reserves within equity, except to the extent that the translation difference is allocated to non-controlling interests. On the disposal of a foreign operation, such exchange differences are reclassified from other reserves to profit or loss.

*(f) Cash and cash equivalents*

Cash and cash equivalents comprise demand deposits held with banks and short-term highly liquid investments that are readily convertible into known amounts of cash with original terms of three months or less.

*(g) Financial instruments*

Financial instruments are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value, net of directly attributable transaction costs, except for financial instruments classified as fair value through profit or loss ("FVTPL"), where transaction costs are expensed in the period in which they are incurred. Financial instruments are subsequently classified and measured at: (i) amortized cost; (ii) fair value through profit or loss; (iii) 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

*(i) Financial assets at FVTPL*

Financial assets at FVTPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVTOCI"). A financial asset is classified in this category

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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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 FVTOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVTPL are measured at fair value with changes in fair value recognized in the consolidated statements of loss.

(ii) *Financial assets at FVTOCI*

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 with no reclassification to the consolidated statements of loss. The election is available on an investment-by-investment basis. Investments in Bell Copper Corporation common shares are designated as financial assets at FVTOCI.

(iii) *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 FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash, other receivables and deposits are classified as and measured at amortized cost.

### Financial liabilities

Financial liabilities, including accounts payable and accrued liabilities, due to related parties, lease liability and other liability 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 the consolidated statements of loss 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, due to related parties, lease liability and other liability 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 the consolidated statements of loss.

### 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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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 is recognized 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 FVTOCI. 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, 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 loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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### (h) *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 to write down the cost or valuation less estimated residual value of equipment. The rates generally applicable are:

- |                          |   |
|--------------------------|---|
| • Leasehold improvements | straight-line over the term of lease  |
| • Right-of-use assets    | straight-line over the shorter of the lease term or the useful life of the underlying asset |

The useful lives, residual values and depreciation method are reviewed annually, with the effect of any changes in estimate accounted for on a prospective basis.

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', respectively.

### (i) *Leases*

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in the consolidated statements of loss and comprehensive loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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The Company re-measures the lease liability and makes a corresponding adjustment to the related ROU asset whenever:

- the lease term has changed;
- the lease payments change due to changes in an index;
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated amortization and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

ROU assets are included in property, plant and equipment, and the lease liability is presented separately in the consolidated statements of financial position.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statements of loss and comprehensive loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not separated out non-lease components.

*(j) Exploration and evaluation costs*

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.

Value-added tax ("VAT") paid to the Government of Colombia in respect of the Company's exploration and evaluation activities is capitalized as exploration and evaluation assets. Under the VAT regime in Colombia, input VAT paid during a company's exploration and evaluation stages forms a credit which is available to offset output VAT collected in the future.

After a property is determined by management to be commercially feasible, development expenditures on the property are capitalized. Commercial feasibility is generally established once the following conditions have all been satisfied: (i) a completed feasibility study supports the economic recovery of the property's resources and reserves (ii) mining permits or rights to extract the resources and reserves have been obtained (iii) and a financing package has been approved for the development of the property.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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.

### *(k) 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.

### *(l) 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.

### *(m) 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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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.

### *(n) 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### (o) Operating segments

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 three operating segments being the acquisition, exploration, evaluation and development of mineral properties in Colombia and the United States and the Company's head office, which is located in Vancouver, 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.

### (p) Loss per share

Basic loss per share is calculated by dividing the net loss available attributable owners of Cordoba by the weighted average number of common shares outstanding during the year. For basic loss per share purposes, a subsidiary's net loss is allocated to owners of Cordoba on the basis of Cordoba's dividend participation rights. Since Cordoba's dividend participation rights in CMH Colombia S.A.S. ("CMH") differ from its 50% interest (Note 14(a)), the numerator of the basic loss per share calculation has been adjusted.

	Year ended December 31,	
	2023	2022
Net loss attributable to owners of Cordoba	\$ 22,903	\$ 31,611
Adjustment to attributable net loss on the basis of dividend participation rights	4,687	-
Adjusted net loss attributable to owners of Cordoba	\$ 27,590	\$ 31,611

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.

### (q) 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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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.

#### 4. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements that clarified the classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period. In October 2022, the IASB issued amendments to IAS 1 that specified how an entity assesses whether it has the right to defer settlement of a liability when that right is subject to compliance with covenants within twelve months after the reporting period. These amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. These amendments are not expected to have a material effect on the Company's consolidated financial statements.

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2, Making Materiality Judgements to disclose material accounting policy information rather than significant accounting policies. The amendments provide guidance on how to apply materiality to accounting policy disclosures. The amendments are effective January 1, 2023, with early adoption permitted. Prospective application is required on adoption. These amendments did not have a material effect on the Company's consolidated financial statements.

In May 2021, the IASB issued amendments to IAS 12, Income Taxes that clarify the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments are effective January 1, 2023, with early adoption permitted. These amendments did not have a material impact on the Company's consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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Several new accounting standards, and amendments to standards and interpretations, have been issued but are not yet effective for the year ended December 31, 2023. None of these changes have been early adopted nor are they considered by management to be significant or likely to have a material impact on the Company's consolidated financial statements.

### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the process of applying the Company's accounting policies, which are described in Note 3 to the consolidated financial statements, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The most significant areas of judgments made by management are as follows:

#### *(a) Going concern*

The assessment of the Company's ability to continue as a going concern, to raise sufficient funds to pay for its ongoing operating expenditures and to meet its liabilities for the ensuing year as they fall due, involves judgement based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).

#### *(b) Determining whether a contract contains a lease*

In accordance with IFRS 16, the Company has to assess whether or not a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *(c) Determination of control of subsidiaries and joint arrangements*

Judgement is required to determine when the Company has control of subsidiaries or joint control of joint arrangements. This requires an assessment of the relevant activities of the investee, being those that significantly affect the investee's returns, including operating and capital expenditure decision-making, financing of the investee, and the appointment, remuneration and termination of key management personnel; and when the decisions in relation to those activities are under the control of the Company or require unanimous consent from the investors. Judgement is also required when determining the classification of a joint arrangement as a joint venture or a joint operation through an evaluation of the rights and obligations arising from the arrangement. Changes to the Company's access to those rights and obligations may change the classification of that joint arrangement.

#### *(d) Determination of functional currency*

In accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*, the Company has determined that its functional currency is the Canadian dollar (Note 3(b)).

The functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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*(e) Impairment of property, plant and equipment and other non-financial assets*

CGU's are evaluated at each reporting date to determine whether there are any indications of impairment. Both internal and external sources of information are considered when making the assessment of whether there are indications of impairment for property, plant and equipment and other non-financial assets. External sources of information considered are changes in the Company's economic, legal and regulatory environment that it does not control but affect the recoverability of its assets. Internal sources of information considered include the manner in which mineral properties and property, plant and equipment are being used or are expected to be used and indications of economic performance of those assets.

If any indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or CGU is measured at the higher of fair value less costs to sell and value in use. At December 31, 2023, the Company determined there were no indicators of impairment.

The most significant estimates made by management are as follows:

*(a) Valuation of share-based payments and share purchase warrants*

The Company applies the Black-Scholes option pricing model to determine the fair value of equity-settled share-based payments and share purchase warrants. Option pricing models require the input of subjective assumptions, including the expected share price volatility and expected life of the options (Notes 11(b) and 12(a)). Changes in these assumptions can materially affect the fair value estimate, so the existing models do not necessarily provide a reliable measure of the fair value, which may impact the Company's net loss and equity reserves.

*(b) Determination of useful lives of property, plant and equipment and the related depreciation*

Depreciation expenses are allocated based on estimated lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statement of loss and comprehensive loss on a prospective basis.

*(c) Discount rate used to determine lease liabilities*

Significant assumptions are required to be made when management determines Company's incremental borrowing rate. If the rate implicit in a lease cannot be readily determined, the incremental borrowing rate is used to present value the future lease payments, and any changes in the estimated rate would have an impact on the lease liability, ROU assets, depreciation expense and interest expense.

*(d) Determination of length of lease terms*

When determining the length of a lease term, the broader economics of the contract are considered in addition to the contractual obligations.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### (e) Recognition of tax assets

The Company incurs indirect taxes, including value-added tax, on purchases of goods and services. Indirect tax balances are recorded at their estimated recoverable amounts within current or long-term assets, net of provisions, and reflect the Company's best estimate of their recoverability under existing tax rules in the respective jurisdictions in which they arise.

## 6. PREPAID EXPENSES AND DEPOSITS

	December 31, 2023	December 31, 2022
Prepaid expenses	\$ 138	\$ 46
Deposits	406	743
Deposit with related party (Note 16(a)(i))	200	200
Other	32	76
<b>Total prepaid expenses and deposits</b>	<b>\$ 776</b>	<b>\$ 1,065</b>

## 7. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets comprise VAT paid to the Government of Colombia in respect of the Company's exploration and evaluation activities. Under the VAT regime in Colombia, input VAT paid during a company's exploration and evaluation stages forms a credit which is available to offset output VAT collected in the future.

## 8. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Furniture, and leasehold equipment improvements	Vehicles	Construction in progress	Land	ROU assets (Note 10(a))	Total
<b>Cost</b>							
Balance - December 31, 2021	\$ 291	\$ 344	\$ 58	\$ -	\$ 912	\$ 579	\$ 2,184
Additions	92	173	-	188	-	392	845
Write-offs and disposals	(20)	(11)	(18)	-	-	(274)	(323)
Other adjustments	-	-	-	-	-	66	66
Foreign exchange	23	24	3	-	62	64	176
<b>Balance - December 31, 2022</b>	<b>386</b>	<b>530</b>	<b>43</b>	<b>188</b>	<b>974</b>	<b>827</b>	<b>2,948</b>
Additions	105	517	-	174	-	1,117	1,913
Write-offs and disposals	(2)	-	-	-	-	(250)	(252)
Other adjustments	-	-	-	-	-	(64)	(64)
Foreign exchange	(11)	(18)	(1)	(7)	(23)	(24)	(84)
<b>Balance - December 31, 2023</b>	<b>\$ 478</b>	<b>\$ 1,029</b>	<b>\$ 42</b>	<b>\$ 355</b>	<b>\$ 951</b>	<b>\$ 1,606</b>	<b>\$ 4,461</b>
<b>Accumulated depreciation</b>							
Balance - December 31, 2021	\$ 152	\$ 141	\$ 42	\$ -	\$ -	\$ 344	\$ 679
Charge for the year	54	34	8	-	-	272	368
Write-offs and disposals	(17)	(10)	(18)	-	-	(274)	(319)
Foreign exchange	13	11	2	-	-	34	60
<b>Balance - December 31, 2022</b>	<b>202</b>	<b>176</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>376</b>	<b>788</b>
Charge for the year	72	81	8	-	-	450	611
Write-offs and disposals	-	-	-	-	-	(250)	(250)
Foreign exchange	(6)	(6)	(1)	-	-	(13)	(26)
<b>Balance - December 31, 2023</b>	<b>\$ 268</b>	<b>\$ 251</b>	<b>\$ 41</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 563</b>	<b>\$ 1,123</b>
<b>Net book value</b>							
Balance - December 31, 2022	\$ 184	\$ 354	\$ 9	\$ 188	\$ 974	\$ 451	\$ 2,160
<b>Balance - December 31, 2023</b>	<b>\$ 210</b>	<b>\$ 778</b>	<b>\$ 1</b>	<b>\$ 355</b>	<b>\$ 951</b>	<b>\$ 1,043</b>	<b>\$ 3,338</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 9. FINANCIAL ASSETS

Financial assets comprise the Company's investment in Bell Copper Corporation's ("Bell Copper") common shares, which had a fair value of \$371,000 on December 31, 2023 (December 31, 2022 - \$371,000).

### 10. LEASES

#### (a) Right-of-use-assets

At December 31, 2023, \$1.04 million (December 31, 2022 - \$451,000) of ROU assets are recorded as part of property, plant and equipment. ROU assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying assets.

	Vehicles	Office	Buildings	Total
<b>Right of use assets</b>				
Net book value at December 31, 2021	\$ 130	\$ 105	\$ -	\$ 235
Additions	281	-	111	392
Depreciation charge for the year	(147)	(95)	(30)	(272)
Other adjustment	59	7	-	66
Foreign exchange	19	4	7	30
<b>Net book value at December 31, 2022</b>	<b>\$ 342</b>	<b>\$ 21</b>	<b>\$ 88</b>	<b>\$ 451</b>
<b>Additions</b>	<b>65</b>	<b>1,052</b>	<b>-</b>	<b>1,117</b>
<b>Depreciation charge for the year</b>	<b>(220)</b>	<b>(206)</b>	<b>(24)</b>	<b>(450)</b>
<b>Other adjustment</b>	<b>-</b>	<b>-</b>	<b>(64)</b>	<b>(64)</b>
<b>Foreign exchange</b>	<b>(5)</b>	<b>(6)</b>	<b>-</b>	<b>(11)</b>
<b>Net book value at December 31, 2023</b>	<b>\$ 182</b>	<b>\$ 861</b>	<b>\$ -</b>	<b>\$ 1,043</b>

During the year ended December 31, 2023, leases relating to certain vehicles and an office lease with initial values totalling \$250,000 expired (December 31, 2022 - \$274,000), resulting in the derecognition of depreciated ROU assets.

#### (b) Lease liabilities

All leases of vehicles, office premises and buildings are comprised of only fixed payments over the lease terms. During the year ended December 31, 2023, the Company recorded interest expense of \$126,000 on lease liabilities (December 31, 2022 - \$52,000), expenses of \$49,000 (December 31, 2022 - \$12,000) related to short-term leases.

	December 31, 2023	December 31, 2022
Maturity analysis - contractual undiscounted cash flows		
Less than one year	\$ 521	\$ 279
One to two years	387	146
Two to three years	320	61
More than three years	312	-
<b>Total undiscounted lease liabilities</b>	<b>1,540</b>	<b>486</b>
<b>Effect of discounting</b>	<b>(277)</b>	<b>(64)</b>
<b>Total lease liabilities</b>	<b>\$ 1,263</b>	<b>\$ 422</b>
Current	\$ 402	\$ 237
Non-current	\$ 861	\$ 185

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

	Year ended December 31,	
	2023	2022
<b>Lease liability continuity</b>		
Balance at beginning of year	\$ 422	\$ 231
Cash flows		
Principal payments	(403)	(228)
Interest payments	(116)	(47)
Non-cash changes		
Additions	1,117	392
Accretion	126	52
Other adjustment	(64)	-
Change in foreign exchange and other	181	22
<b>Total lease liabilities, end of year</b>	<b>\$ 1,263</b>	<b>\$ 422</b>

### 11. SHARE CAPITAL

#### (a) Common Shares

Authorized

The Company is authorized to issue an unlimited number of common shares without par value. At December 31, 2023, the Company had 89,813,936 common shares issued and outstanding (December 31, 2022 – 89,237,671).

#### (b) Share Purchase Warrants

Share purchase warrants outstanding as of December 31, 2023, and December 31, 2022, are as follows:

		December 31, 2023			December 31, 2022		
Grant Date	Expiry date	Number of warrants	Number of shares issuable upon exercise	Weighted average exercise price per share	Number of warrants	Number of shares issuable upon exercise	Weighted average exercise price per share
February 18, 2021	February 18, 2023 (i)	-	-	-	453	491	\$1.802
September 24, 2021	September 24, 2026	1,465	1,465	\$0.770	1,465	1,465	\$0.770
		1,465	1,465	\$0.770	1,918	1,956	\$1.029

i. On February 18, 2023, all 452,975 share purchase warrants expired unexercised.

### 12. SHARE-BASED PAYMENTS

#### (a) Share Purchase Options

The Company has in place a stock option plan (the "Plan"), which allows the Company to issue options to 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 shall not have an exercise price less than the market price of the Company's shares on the day prior to the grant date, less any discount permitted by the

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

TSX Venture Exchange, and may have a maximum term of ten years. Additionally, they 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 years ended December 31, 2023 and 2022:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Number of stock options	Weighted average exercise price (\$ per share)	Number of stock options	Weighted average exercise price (\$ per share)
Outstanding, beginning of year	2,248	\$ 1.50	1,274	\$ 2.36
Granted	-	-	1,167	0.53
Expired	(153)	4.86	(4)	9.86
Forfeited	(28)	0.73	(189)	1.08
<b>Outstanding, end of year</b>	<b>2,067</b>	<b>\$ 1.26</b>	<b>2,248</b>	<b>\$ 1.50</b>
<b>Exercisable, end of year</b>	<b>1,682</b>	<b>\$ 1.41</b>	<b>803</b>	<b>\$ 2.84</b>

There were no options granted during the year ended December 31, 2023. The weighted average fair value of the share purchase options granted during the year ended December 31, 2022, was estimated to be \$0.34 using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 2.85%, expected life of 3.18 years, annualized volatility of 99.85% and dividend yield of 0%.

Exercise price (\$ per share)	Options outstanding		Options exercisable	
	Number of stock options	Weighted average remaining contractual life (years)	Number of stock options	Weighted average remaining contractual life (years)
0.53	1,084	3.58	717	3.57
1.11	9	0.64	9	0.64
1.20	54	2.31	36	2.31
1.36	44	1.29	44	1.29
1.62	798	1.91	798	1.91
1.70	10	1.85	10	1.85
2.04	18	1.90	18	1.90
2.21	9	1.82	9	1.82
3.57	6	1.40	6	1.40
12.58	6	2.86	6	2.86
13.60	6	0.49	6	0.49
14.45	23	2.30	23	2.30
	2,067	2.78	1,682	2.60

### (b) Deferred Share Units

Pursuant to the terms of the Company's Deferred Share Unit Plan, the Company may grant DSUs to the Company's directors. Upon a participant's retirement, the DSUs may be settled with cash or common shares of the Company, at the sole discretion of the Board. The fair

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

value of a DSU is determined as the fair market value of a common share of the Company on grant date and recorded in equity reserves.

The following is a summary of DSU activity for the years ended December 31, 2023 and 2022:

	Year ended December 31,	
	2023	2022
Outstanding, beginning of year	530	212
Granted	-	375
Redeemed	(123)	(57)
<b>Outstanding, end of year</b>	<b>407</b>	<b>530</b>

### (c) Other Equity-based Instruments

Pursuant to the terms of the Company's Long Term Incentive Plan, the Company may grant 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 common shares of the Company at the discretion of the Board. The fair values of an RSU and PSU are determined as the fair market value of a common share of the Company on the grant date and recorded in equity reserves.

The following is a summary of RSU activity for the years ended December 31, 2023 and 2022:

	Year ended December 31,	
	2023	2022
Outstanding, beginning of year	1,410	244
Granted	-	1,329
Redeemed	(541)	(118)
Forfeited	(12)	(45)
<b>Outstanding, end of year</b>	<b>857</b>	<b>1,410</b>

During the years ended December 31, 2023, and 2022, no PSUs were issued and outstanding.

### (d) Share-based payments

Share-based payment compensation was allocated to operations as follows:

	Year ended December 31,	
	2023	2022
Exploration and evaluation expenditures	\$ 308	\$ 312
Corporate administration	325	617
<b>Total share-based payments</b>	<b>\$ 633</b>	<b>\$ 929</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

### 13. CORPORATE ADMINISTRATION

For the years ended December 31, 2023 and 2022, corporate administration comprises:

	Year ended December 31,	
	2023	2022
Salaries and benefits	\$ 1,474	\$ 1,150
Directors fees	-	38
Share-based payments	325	617
Office administration	182	187
Professional fees	640	1,302
Insurance	140	136
Travel	256	242
Investor relations	225	217
Compliance and regulatory	74	42
Other	70	37
<b>Total corporate administration</b>	<b>\$ 3,386</b>	<b>\$ 3,968</b>

### 14. NON-CONTROLLING INTEREST

#### (a) CMH Colombia S.A.S.

On May 8, 2023, Cordoba announced that Cordoba and JCHX had satisfied all necessary conditions to close the US\$100 million strategic arrangement for the joint-development of the Alacran Project in Colombia. As a result of the closing, JCHX has funded the initial installment of US\$40 million towards its 50% ownership interest in CMH, a company existing under the laws of Colombia, which owns 100% of the Alacran Project and is the joint venture vehicle for Cordoba and JCHX in this strategic project level partnership.

For its 50% interest, JCHX will pay the US\$100 million purchase price in three installments. At the closing of the transaction, US\$40 million was paid as a first installment. On January 4, 2024, Cordoba announced receipt of the second installment of US\$40 million (Note 16(a)(iii)) that was payable in cash upon the board of directors of Cordoba approving the Feasibility Study of the Alacran Project and the filing of the Environmental Impact Assessment ("EIA") to the relevant Colombian Government authority, with US\$10 million of this amount paid in late December 2023 and the remaining US\$30 million settled in early January 2024. A third and final installment of US\$20 million is payable in cash once the approval of the EIA is obtained, which must be within two years of the transaction's closing date. Should the EIA not be approved by the second anniversary of the closing date, JCHX will have the option to elect not to complete this final installment, which will result in JCHX being diluted to 40% and Cordoba increasing to a majority 60% shareholding in CMH.

In December 2022, JCHX advanced a bridge loan of US\$10 million to Cordoba (Note 16(a)(iii)). The bridge loan was for an 18-month term and included interest at 12% per annum during the first 12 months of the term and 14% per annum during the remaining six months, calculated on the basis of a 365-day year. Upon closing of the transaction, the entire balance owing under the bridge loan and accrued interest was applied towards the first installment as a payment in kind.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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A Joint Venture Shareholders' Agreement ("JV SHA"), entered into at closing, governs the strategic relationship between Cordoba and JCHX, and sets forth the general responsibility and authority of the CMH board of directors ("CMH board"), in addition to the entitlements of each shareholder. The JV SHA provides that (1) the CMH board will comprise of four individuals, of which two directors will be nominated by Cordoba and the other two directors will be nominated by JCHX; and for so long as the shareholdings in CMH remain 50%-50%, a Cordoba representative will serve as the Chairperson of the Board of Directors, and will possess a casting vote on all matters subject to a list of reserved matters; (2) Cordoba will be appointed as the operator and manager of the Alacran Project pursuant to a management services agreement and will be responsible for setting the annual programs and budgets for the CMH board's approval; (3) JCHX (or its affiliate) has right of first offer to bid on the Engineering, Procurement and Construction and Detailed Design Agreement contracts, provided that Cordoba has the right to open the process out to competitive tender; with JCHX having the right to match any competitive bid; and (4) JCHX (or its affiliate) shall be entitled to up to 100% of the offtake from the production under the current Feasibility Study of the Alacran Project, provided that they are paying fair market value and they are the most competitive offer (including a matching right for other third-party proposals).

Management's assessment at the time of closing concluded that Cordoba will continue to control CMH through the investment period up to the date the third installment is made. Accordingly, Cordoba has continued to consolidate CMH.

The carrying values of CMH's assets and liabilities were \$54.69 million and \$18.75 million as at December 31, 2023. For the year ended December 31, 2023, CMH's revenue was \$Nil and net loss was \$24.95 million. The Company recognized \$17.97 million as non-controlling interest for the year ended December 31, 2023.

### **(b) MMDEX LLC**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

On March 18, 2024, Cordoba announced that Cordoba and Bell Copper have agreed to amend the joint venture and earn-in agreement. Under the amended agreement, the current earn-in phase has been adjusted to spend \$14.2 million by April 24, 2026. Cordoba has the option to earn up to an 80% interest in the Perseverance Project through the acquisition of an equity interest in the joint venture company MMDEX LLC (“MMDEX”) by completing phased project expenditures as follows:

Original Joint Venture Agreement		Amended Joint Venture Agreement	
Phase 1	\$1M by April 24, 2020 to earn 25% interest (completed)	Phase 1	\$1M by April 24, 2020 to earn 25% interest (completed)
Phase 2	Additional \$3M by April 24, 2022 for 51% interest (completed)	Phase 2	Additional \$3M by April 24, 2022 for 51% interest (completed)
Phase 3	Additional \$3M by April 24, 2024 for 70% interest	Phase 3	Additional \$14.2M by April 24, 2026 for 80% interest (in progress)
Phase 4	Additional \$10M by April 24, 2026 for 80% interest		

In March 2022, the Company achieved the minimum project expenditure requirement for the Phase 2 earn-in and vested a 51% interest in the project.

The carrying value of MMDEX’s assets and liabilities was \$Nil as at December 31, 2023 (December 31, 2022 - \$Nil). For the year ended December 31, 2023, MMDEX’s revenue was \$Nil (December 31, 2022 - \$Nil) and net loss was \$394,000 (December 31, 2022 - \$2.25 million). The Company recognized \$Nil as non-controlling interest for the year ended December 31, 2023 (December 31, 2022 - \$Nil).

### 15. SUPPLEMENTAL CASH FLOW INFORMATION

The non-cash financing activities not already disclosed in the consolidated statements of cash flows were as follows:

	Year ended December 31,	
	2023	2022
<b>Financing activities</b>		
Non-controlling interest’s investment in subsidiary (Note 16(a)(iii))	\$ 51,978	\$ -
Settlement of long-term loan from related party (Note 16(a)(iii))	(13,354)	-
Interest paid (Note 16(a)(iii))	(610)	-

### 16. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

### (a) Transactions and balances with related parties

The Company incurred the following expenses with related parties:

	Year ended December 31,	
	2023	2022
Salaries and benefits	\$ 849	\$ 778
Corporate administration	182	207
Exploration and evaluation expenditures	629	1,098
Interest expense	1,785	911
<b>Total related party expenses</b>	<b>\$ 3,445</b>	<b>\$ 2,994</b>

The breakdown of expenses by related party is as follows:

	Year ended December 31,	
	2023	2022
GMM (i)	\$ 1,379	\$ 1,351
Ivanhoe Electric (ii)	1,228	1,385
JCHX (iii)	604	14
Vagon Capital S.A.S. (iv)	234	204
Computational Geosciences Inc. (v)	-	40
<b>Total related party expenses</b>	<b>\$ 3,445</b>	<b>\$ 2,994</b>

The breakdown of amounts due to or from related parties is as follows:

	December 31,	December 31,
	2023	2022
Due from related parties		
Due from JCHX (iii)	\$ 34,320	\$ -
Due from Chief Executive Officer (vi)	52	-
<b>Total due from related parties</b>	<b>\$ 34,372</b>	<b>\$ -</b>
Due to related parties		
Due to GMM (i)	\$ 121	\$ 254
Due to Ivanhoe Electric (ii)	750	21,271
Due to JCHX (iii)	-	13,558
Due to directors	-	38
Due to Vagon Capital SAS (iv)	23	84
<b>Total due to related parties</b>	<b>\$ 894</b>	<b>\$ 35,205</b>
Current	\$ 894	\$ 21,647
Non-current	\$ -	\$ 13,558

- i. Global Mining Management Corporation (“GMM”), a private company based in Vancouver, provides administration, accounting and other office services to the Company on a cost-recovery basis. The Company held 7.1% of GMM’s common shares at December 31, 2023, (December 31, 2022 – 7.1%). The investment in GMM is held at \$Nil on the consolidated statement of financial position.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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At December 31, 2023, prepaid expenses and deposits included a deposit of \$200,000 (December 31, 2022 – \$200,000) held by GMM (Note 6).

- ii. Ivanhoe Electric held 62.8% of the Company's issued and outstanding common shares at December 31, 2023 (December 31, 2022 – 63.2%). Costs incurred by Ivanhoe Electric on behalf of the Company are reimbursed on a cost-recovery basis.

In 2022, Ivanhoe Electric provided the Company with a series of short-term loans totaling US\$14.5 million in the form of grid promissory notes bearing interest at 12% per annum, compounding only at maturity. The interest rate of each loan increased to 14% per annum upon each of their respective maturity dates.

In January 2023, US\$2.5 million of the outstanding principal of the loans was repaid using a portion of the proceeds from the US\$10 million JCHX bridge loan (Note 16(a)(iii)).

In March 2023, Ivanhoe Electric provided the Company with a short-term loan of US\$4.0 million in the form of a grid promissory note bearing interest at 12% per annum, compounding only at maturity. The interest rate would have increased to 14% per annum if the Company did not repay the amount owing upon the maturity date, which is the earlier of May 15, 2023, and the closing of any equity or debt financing by Cordoba.

Following the closing of the US\$100 million project financing transaction described in Note 14, a portion of the initial US\$40 million installment received from JCHX was used in part to settle all the principal and interest outstanding on the series of short-term loans. Accordingly, as at December 31, 2023, there was no accrued interest outstanding (December 31, 2022 – \$887,000 (US\$655,000)).

In October 2023, Ivanhoe Electric advanced the Company US\$4.0 million under a short-term convertible debenture bearing interest at 12% per annum payable on its maturity date, which is the earlier of (i) December 31, 2023, and (ii) the date the second installment of US\$40 million becomes payable by JCHX under the US\$100 million project financing transaction described in Note 14. In December 2023, part of the proceeds from the second installment was used to settle all the principal and interest outstanding on the loan.

Ivanhoe Electric had the right to convert the whole or any portion of the convertible debenture's outstanding principal amount into common shares of the Company at a conversion price of \$0.32 per common share, with the outstanding principal amount being converted expressed in Canadian dollars using an exchange rate of US\$1.00 to \$1.3520.

- iii. JCHX held 19.8% of the Company's issued and outstanding common shares at December 31, 2023 (December 31, 2022 – 19.9%).

- (a) *Bridge loan*

- In December 2022, JCHX advanced a bridge loan of US\$10 million to Cordoba. The bridge loan was for an 18-month term and included interest at 12% per annum during the first 12 months of the term and 14% per annum during the remaining six months, calculated on the basis of a 365-day year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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Upon closing the project financing transaction with JCHX described in Note 14, all of the principal and interest outstanding on the bridge loan was applied towards that transaction's first installment as a payment in kind. Accordingly, as at December 31, 2023, there was no accrued interest owing to JCHX on the bridge loan (December 31, 2022 – \$14,000 (US\$10,000)).

Interest payments to JCHX under the bridge loan were made free and clear of any withholding taxes, and the effect of the applicable 35% withholding tax is recognized as interest expense.

In the event the bridge loan was not repaid, JCHX had the option to receive payment in kind equal to 20% of the total issued shares of CMH, a Colombian subsidiary of the Company.

### (b) *Second installment receivable*

The US\$40 million second installment of the US\$100 million project financing transaction with JCHX (Note 14(a)) is measured at amortized cost, with interest income calculated using an effective interest method rate of 7.82%.

JCHX paid US\$10 million of the second installment to CMH in December 2023, resulting in a gain on partial settlement of US\$36,000. The remaining US\$30 million was settled by JCHX in early January 2024.

### (c) *Bridge financing*

In November 2023, US\$4 million was advanced to CMH by JCHX. Pursuant to the terms of the JCHX loan agreement, the loan bears simple interest at 12% per annum and is payable on its maturity date, which is the earlier of (i) 12 months after the date of the loan agreement, and (ii) the date the second installment of US\$40 million becomes payable by JCHX under the US\$100 million strategic arrangement (Note 14(a)). If the maturity date occurs as the date of the second installment, the outstanding amount under the loan may be deducted from the second installment.

In early January 2024, the US\$4 million loan was settled in full by applying it towards the second installment as a payment in kind (Note 14(a)).

- iv. Vagon Capital S.A.S., a company controlled by a close family member of one of the Company's directors, provides professional consulting services to the Company.
- v. Computational Geosciences Inc. is a subsidiary of Ivanhoe Electric that provides technical consulting services in relation to the Perseverance Project.
- vi. The amount advanced to the Company's Chief Executive Officer is to be repaid with future employment income earned in 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

### (b) Compensation of key management personnel

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company, including directors and officers.

	Year ended December 31,	
	2023	2022
Salaries and benefits	\$ 1,178	\$ 817
Director fees	-	38
Share-based payments	226	422
<b>Total key management compensation</b>	<b>\$ 1,404</b>	<b>\$ 1,277</b>

### 17. SEGMENTED INFORMATION

The Company has a head office in Vancouver, Canada, and operates in three geographically based segments: Colombia, Colombia and the United States. The reported loss from operations for the years ended December 31, 2023 and 2022 for each segment is as follows:

	Colombia		USA		Canada		Total	
	Year ended December 31,		Year ended December 31,		Year ended December 31,		Year ended December 31,	
	2023	2022	2023	2022	2023	2022	2023	2022
E&E expenditures	\$ 32,578	\$ 22,386	\$ 394	\$ 2,351	\$ 307	\$ 312	\$ 33,279	\$ 25,049
Corporate administration	-	-	40	22	3,346	3,946	3,386	3,968
Depreciation	603	360	8	8	-	-	611	368
<b>Loss from operations</b>	<b>\$ 33,181</b>	<b>\$ 22,746</b>	<b>\$ 442</b>	<b>\$ 2,381</b>	<b>\$ 3,653</b>	<b>\$ 4,258</b>	<b>\$ 37,276</b>	<b>\$ 29,385</b>

The Company's non-current assets at December 31, 2023 and December 31, 2022 are located in Colombia, the United States and the head office in Canada as follows:

	Colombia		USA		Canada		Total	
	December 31, December 31,		December 31, December 31,		December 31, December 31,		December 31, December 31,	
	2023	2022	2023	2022	2023	2022	2023	2022
Exploration and evaluation assets	\$ 8,336	\$ 4,750	\$ -	\$ -	\$ -	\$ -	\$ 8,336	\$ 4,750
Property, plant and equipment	3,087	1,895	251	265	-	-	3,338	2,160
Financial assets	-	-	-	-	371	371	371	371
<b>Non-current assets</b>	<b>\$ 11,423</b>	<b>\$ 6,645</b>	<b>\$ 251</b>	<b>\$ 265</b>	<b>\$ 371</b>	<b>\$ 371</b>	<b>\$ 12,045</b>	<b>\$ 7,281</b>

### 18. FINANCIAL INSTRUMENTS

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value on a recurring basis, whether changes in fair value are recognized at FVTPL or FVTOCI.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

The Company's financial assets and financial liabilities are classified as follows:

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at amortized cost		
Cash	\$ 5,078	\$ 10,981
Other receivables	40	7
Due from related parties	34,372	-
Deposits	606	943
Financial assets measured at FVTOCI		
Financial assets	371	371
<b>Total financial assets</b>	<b>\$ 40,467</b>	<b>\$ 12,302</b>
Financial liabilities measured at amortized cost		
Accounts payable and accrued liabilities	\$ 4,346	\$ 4,712
Due to related parties	894	35,205
Lease liability	1,263	422
<b>Total financial liabilities</b>	<b>\$ 6,503</b>	<b>\$ 40,339</b>

The carrying amounts for cash; other receivables; deposits; accounts payable and accrued liabilities; and amounts due from or to related parties approximate fair values due to their short-term nature.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The three levels of the fair value hierarchy are:

- 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 classified as financial assets and valued using level one inputs.

The risks associated with financial instruments and the policies on how to mitigate these risks are set out below:

(a) *Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash, receivables and deposits. Its maximum exposure to credit risk is the carrying value of these assets at December 31, 2023.

Cash is deposited with high-quality financial institutions as determined by a primary ratings agency.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

(b) *Interest rate risk*

Interest rate risk is the risk that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk on its bank deposits, which is insignificant due to their short-term nature.

The interest-bearing amounts due to related parties have fixed interest rates and are carried at amortized cost (Note 16(a)). Any changes in the market interest rates associated with these financial instruments would not impact the Company's net loss, comprehensive loss or future cash flows.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(c) *Currency risk*

The Company reports its financial results in Canadian dollars but also undertakes transactions in various foreign currencies, mainly the U.S. dollar and Colombian peso. As the exchange rates between the Canadian dollar and these foreign currencies fluctuate, the Company experiences foreign exchange gains and losses. The Company has cash; receivables; accounts payable and accrued liabilities; due to related parties and lease liabilities that are denominated in foreign currencies and subject to currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the respective statement of financial position dates are as follows:

	December 31, 2023		December 31, 2022	
	U.S. Dollars	Colombian Peso	U.S. Dollars	Colombian Peso
Cash	\$ 799	\$ 4,276	\$ 781	\$ 10,190
Other receivables	-	40	-	7
Due from related parties	34,320	52	-	-
Accounts payable and accrued liabilities	(1,622)	(2,600)	(861)	(2,698)
Due to related parties	(782)	(23)	(34,832)	(84)
Current and non-current lease obligation	-	(1,263)	-	(422)
	\$ 32,715	\$ 482	\$ (34,912)	\$ 6,993

As at December 31, 2023, a 10% depreciation or appreciation of applicable foreign currencies against the Canadian dollar would result in an approximate \$3.32 million decrease or increase in the Company's comprehensive loss (December 31, 2022 - \$2.79 million).

The Company does not enter into any financial instruments to hedge currency risk, but the Company monitors its foreign exchange exposure.

(d) *Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due.

As the Company is a mineral-property exploration, evaluation and development company, its ability to manage liquidity risk and continue to operate and fund cash flow

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

requirements is dependent on its ability to continue to obtain funding, including financing through equity placements, debt and joint venture agreements. Failure to obtain such additional financing could result in a delay or indefinite postponement of further exploration, evaluation or development of the Company's properties and the possible loss of title to such properties.

At December 31, 2023, the Company believes that it has adequate resources to maintain its minimum obligations, including general corporate activities, based on its cash position, the strategic arrangement for the joint-development of the Company's Alacran Project (Note 14) and its ability to pursue additional sources of financing, including equity placements.

### 19. CAPITAL MANAGEMENT

The Company's objectives in managing its capital structure, which comprises all components of equity and debt, are to safeguard its ability to continue as a going concern and to provide financial capacity to meet its strategic objectives.

The Company is dependent on external financing to fund its operating activities, since the mineral properties in which it has an interest are in the exploration or evaluation stage. Capital structure is managed and adjusted to effectively support the acquisition, exploration, evaluation and development of mineral property interests.

The amounts managed as capital by the Company comprise equity and debt, with debt consisting of the bridge financing from JCHX (Note 16(a)(iii)).

At December 31, 2023, the Company is not subject to any externally imposed capital requirements.

During the year ended December 31, 2023, there were no significant changes to the Company's objectives or approach to capital management.

### 20. INCOME TAXES

	December 31, 2023	December 31, 2022
Net loss for the year	\$ 35,377	\$ 31,611
Canadian statutory tax rate	27.0%	27.0%
Tax at statutory Canadian rate	9,552	8,535
Tax at foreign tax rate	2,996	1,546
Items not deductible for income tax purposes	(377)	(1,488)
Tax effect of tax losses and temporary differences not recognized	(12,171)	(8,593)
<b>Total income taxes</b>	<b>\$ -</b>	<b>\$ -</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Deductible temporary differences and unused tax losses for which no deferred tax asset is recognized in the statement of financial position are as follows:

	December 31, 2023	December 31, 2022
Canadian tax losses expiring 2037-2043	\$ 14,686	\$ 12,774
US tax losses expiring 2036-2037	392	401
US tax losses carried forward indefinitely	686	580
Colombian tax losses expiring 2024-2035	8,135	3,140
Exploration and evaluation assets	97,756	67,870
Share issue costs	159	312
	<b>\$ 121,814</b>	<b>\$ 85,077</b>