MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and six months ended June 30, 2020

GENERAL

The purpose of this Management's Discussion and Analysis ("MD&A") is to provide readers with management's overview of the past performance of, and future outlook for, Cordoba Minerals Corp., (the "Company" or "Cordoba"). The report also provides information to enhance readers' understanding of the Company's financial statements and highlights important business trends and risks affecting the Company's financial performance. It should be read in conjunction with the Company's condensed interim consolidated financial statements and notes thereto for the three and six months ended June 30, 2020 (the "financial statements"), the audited consolidated financial statements for the year ended December 31, 2019 and the MD&A for the year ended December 31, 2019.

All information contained in this MD&A is current as of August 13, 2020, unless otherwise stated.

The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and on the Company's website, www.cordobaminerals.com.

FORWARD LOOKING STATEMENTS

This MD&A includes "forward-looking statements" and "forward-looking information" within the meaning of Canadian securities legislation. All statements included in this MD&A, other than statements of historical fact, are forward-looking statements. When used in this MD&A, words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict", "foresee" and other similar terminology, or sentences/statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance. These statements reflect Cordoba's current expectations regarding future events, performance and results, and are accurate only at the time of this MD&A, and may be superseded by more current information.

Forward-looking statements also involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Cordoba or its mineral projects to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

In making such statements, Cordoba has made assumptions regarding, among other things: general business and economic conditions; the availability of additional exploration and mineral project financing; the supply and demand for, inventories of, and the level and volatility of the prices of metals; relationships with strategic partners; the timing and receipt of governmental permits and approvals; the timing and receipt of community and landowner approvals; changes in regulations; political factors; the accuracy of the Company's interpretation of drill results; the geology, grade and continuity of the Company's mineral deposits; the availability of equipment, skilled labour and services needed for the exploration and development of mineral properties; and currency fluctuations.

This MD&A also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that ultimately may prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on: (i) fluctuations in mineral prices; (ii) results of drilling; (iii) metallurgical testing and other studies; (iv) proposed and completed mining exploration programs; (v) the evaluation of exploration and drilling plans subsequent to the date of any estimates; and (vi) the possible failure to receive required permits, approvals and licenses.

Although the forward-looking statements or information contained in this MD&A are based upon what management of Cordoba believes are reasonable assumptions, Cordoba cannot assure investors that actual results will be consistent with these forward-looking statements. They should not be read as guarantees of future performance or results. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to: the factors discussed below and under "Risks and Uncertainties"; unanticipated changes in general business and economic conditions or conditions in the financial markets; fluctuations in the price of metals; stock market volatility; the availability of exploration capital and financing generally; changes in national and local government legislation; changes to taxation; changes in interest or currency exchange rates; loss of key personnel; inaccurate geological assumptions; legal disputes or unanticipated outcomes of legal proceedings; social unrest; competition; unavailability of materials and equipment; government action or delays in the receipt of permits or government approvals; community member disturbances; industrial disturbances or other job action; and unanticipated events related to health, safety and environmental matters, including unknown impacts related to potential business disruptions stemming from the COVID-19 outbreak or another infectious illness.

Forward-looking information is designed to help readers understand management's current views of the Company's near and longer-term prospects, and it may not be appropriate for other purposes. Cordoba will not update any forward-looking statements or forward-looking information unless required to by applicable securities laws.

The forward-looking statements contained herein are based on information available and are made as of August 13, 2020.

TECHNICAL INFORMATION AND QUALIFIED PERSON

The technical information in this MD&A has been reviewed, verified and approved by Charles N. Forster, P.Geo., a Qualified Person for the purpose of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Forster is the Vice President, Exploration of Cordoba and is not considered independent under NI 43-101.

OVERVIEW OF THE BUSINESS

Cordoba is a publicly listed mineral exploration company incorporated under the laws of British Columbia, Canada. The Company's shares are listed on the TSX Venture Exchange under the symbol "CDB". The Company's head office and registered office are located at Suite 654 – 999 Canada Place, Vancouver, British Columbia, Canada, V6C 3E1.

Cordoba is a Canadian-based exploration and development company with projects located in Colombia and the United States. The principal business of the Company is the acquisition, exploration and development of precious and base metals properties.

To date, Cordoba has not generated any revenues from its operations and is considered to be in the exploration and development stage.

OUTLOOK

Cordoba's near-term focus is on the exploration and development of the San Matias copper-gold-silver project (the "San Matias Project" or "San Matias") in Colombia and the Perseverance porphyry copper project ("Perseverance Project" or "Perseverance") in the United States. At San Matias, Cordoba plans to accelerate development of the Alacran deposit (the "Alacran Deposit" or "Alacran") and has begun the pre-feasibility studies required to secure the necessary Colombian mining approvals. Cordoba will continue to pursue further exploration throughout the San Matias district, including advancing the search for the porphyry sources of the Alacran and Montiel West deposits. At Perseverance, Cordoba has commenced a magneto-telluric ("MT") geophysical survey. The goal of the MT survey is to close off the previously-identified strong conductivity anomaly thought to reflect the southwestern edge of a concealed porphyry copper system.

The Company continues to seek additional project opportunities, primarily in the Americas, the entry costs to which are as-yet undetermined. As such, management will continue to assess the costs of exploration programs at San Matias and Perseverance and may revise the scope of planned programs. Cordoba's current treasury is insufficient to finance all currently planned exploration and development programs and the Company will need to obtain additional financing in order to further evaluate its mineral properties.

The Company continues to monitor the COVID-19 pandemic, which has had an impact on current operations, and could create significant uncertainty for the Company and its future operations. Countries around the world are imposing lockdowns and are asking people to self-isolate or practice social distancing to reduce the spread of the virus. Cordoba's primary focus remains on the health and safety of its employees and contractors, as well as its host communities. To this end, all staff and contractors in Colombia, the United States and Canada began working from home and self-monitoring for signs of infection in late March 2020. In Colombia, a presidential order was issued on March 20, 2020 for mandatory nation-wide isolation beginning on March 24, 2020, which includes strict limits on the movement of people, a restriction on international and domestic air travel and the closure of non-essential businesses. This order currently in place until August 31, 2020, has been extended numerous times and could be extended further by the Colombian government**.** The Company continues to monitor ongoing developments surrounding COVID-19 and is prepared for continued short-term impacts to the Company and its operations. The COVID-19 pandemic could have a material adverse effect on the Company, results from operations, and the ability of the Company to raise financing.

CORPORATE ACTIVITIES

Strategic equity investment by JCHX Mining Management Co., Ltd.

On January 17, 2020, the Company announced that it had successfully completed a strategic equity investment with JCHX Mining Management Co., Ltd ("JCHX"), whereby the Company issued 91,372,536 common shares of Cordoba to JCHX through a private placement at $0.12 per share, resulting in the receipt of gross proceeds of approximately $11.0 million. On closing, JCHX acquired approximately 19.9% of Cordoba's issued and outstanding common shares and this resulted in the dilution of the ownership interest of the Company's majority shareholder, High Power Exploration Inc. ("HPX"), from 75.3% to approximately 60.2%.

Upon closing of the private placement, Cordoba and JCHX entered into an investor rights agreement, which provides for certain key provisions:

- JCHX will be entitled to nominate representatives to Cordoba's Board of Directors in proportion to its shareholding (up to a maximum of 20% of the board seats), with one nominee to be added based on JCHX's 19.9% interest;
- JCHX will be granted anti-dilution rights to enable it to maintain its ownership interest;
- JCHX will have a right of first offer to be appointed as the Engineering Procurement Construction contractor in connection with any future mining development on the San Matias Project; and
- JCHX will have a right of first offer in respect of any sale of an equity interest in the San Matias Project.

In January 2020, upon successful closing of the JCHX strategic equity investment, the Company fully repaid the US$2.77 million ($3.62 million) in principal and accrued interest owing to HPX under a short-term loan (the "Promissory Note") which had accumulated through a series of draw-downs between September 25, 2019 and January 10, 2020.

Issuance of common shares

On April 28, 2020, Cordoba issued an aggregate of 3,713,687 common shares in the capital of the Company (the "First Tranche Shares") at a price of $0.0895 per First Tranche Share representing an aggregate value of $332,375 (US$250,000 on the conversion date) to two arm's length parties (the "Subscribers") pursuant to the terms of subscription agreements between the Company and each of the Subscribers (the "Subscription Agreements").

The Subscription Agreements were entered into in connection with Cordoba obtaining an extension on certain obligations due under an option agreement among the Company, Minerales Cordoba S.A.S, Sociedad Ordinaria de Minas Omni, Compania Minera El Alacran S.A.S., CMH Colombia S.A.S., Cobre Minerales S.A.S. and Exploradora Cordoba S.A.S. dated February 27, 2016, and in consideration for work and services provided by the Subscribers for the Company.

Concurrent with the issuance of the First Tranche Shares, on April 28, 2020, Cordoba issued 928,401 common shares to JCHX at a price of $0.0516 per share for gross proceeds of approximately $47,905, pursuant to the terms of a subscription agreement between the Company and JCHX. In connection with the issuance, the Company incurred share issuance costs of $4,353.

On July 16, 2020, Cordoba issued an aggregate of 4,660,176 common shares (the "Second Tranche Shares") at a price of $0.0732 per Second Tranche Share, representing an aggregate value of $341,125 (US$250,000 on the conversion date) to the Subscribers, pursuant to the terms of the Subscription Agreements.

In connection with the issuance of the Second Tranche Shares, on July 30, 2020, Cordoba issued 1,165,017 common shares to JCHX at a price of $0.0869 per share for gross proceeds of $101,240, pursuant to the terms of a subscription agreement between the Company and JCHX. On closing, JCHX retained its 19.99% interest in Cordoba's issued and outstanding common shares.

Rights offering

On June 29, 2020, the Company announced the closing of its rights offering (the "Rights Offering") which raised gross proceeds of $21.5 million. Upon the closing of the Rights Offering, the Company issued a total of 430,000,000 new common shares, which represents 100% of the maximum number of common shares that were available under the offering. The Company incurred $206,947 of share issuance costs associated with the Rights Offering.

Pursuant to the Rights Offering, eligible shareholders of record on June 1, 2020 received 0.93171762634 of one right for every one common share held. Each Right entitled the holder to subscribe for one common share at a subscription price of $0.05 per common share (the "Basic Subscription Privilege").

The Rights traded on the TSX Venture Exchange under the symbol "CDB.RT" from May 29, 2020 to June 25, 2020.

In connection with the Rights Offering, the Company entered into a standby commitment agreement (the "Standby Commitment Agreement") with HPX, the Company's controlling shareholder. HPX agreed, subject to certain terms and conditions, to exercise its Basic Subscription Privilege in respect of any rights it held, and, in addition thereto, to acquire any additional common shares available as a result of any unexercised Rights under the Rights Offering excluding those falling within JCHX's commitment to complete its Basic Subscription Privilege. The Rights Offering was fully subscribed and, consequently, HPX did not acquire any new shares under its standby commitment.

In consideration for the Standby Commitment Agreement, upon completion of the Rights Offering and fulfillment of the standby commitment, the Company issued 21,910,113 warrants to HPX. Each warrant entitles HPX to acquire one common share of the Company at an exercise price equal to $0.075 per common share at any time on or before June 26, 2025.

JCHX, an insider of the Company fulfilled its commitment by fully exercising its Basic Subscription Privilege and acquired 85,998,410 common shares for gross proceeds of $4.3 million, retaining its 19.99% interest.

With the proceeds of the Rights Offering, the Company settled the final remaining payment of US$13.0 million to acquire a 100% interest in the Alacran Deposit. This final payment was due no later than June 30, 2020. The remaining proceeds from the Rights Offering will be used to cover general working capital expenses until the Alacran pre-feasibility study ("PFS") can be re-started following lifting of restrictions from the government-mandated COVID-19 lockdown in Colombia.

Changes to Officers

On April 1, 2020, Cordoba announced the appointment of Chris Cairns as Chief Financial Officer ("CFO"). Mr. Cairns replaced outgoing CFO, Greg Shenton, who announced his retirement.

Changes to Board of Directors

On January 17, 2020, Cordoba announced the successful completion of the JCHX strategic equity investment, and pursuant to the terms of the investor rights agreement with JCHX, JCHX nominated Dr. Peng Huaisheng to the Cordoba Board of Directors. The nomination was accepted, and the appointment expanded the Cordoba Board of Directors to five members.

On February 12, 2020, Cordoba announced that at the Special Meeting of Shareholders, shareholders voted to increase the number of directors to six and elected Mr. Luis Valencia González as a Director of the Company.

EXPLORATION ACTIVITIES

San Matias Copper-Gold-Silver Project, Colombia

The Company's San Matias Project is in the Municipality of Puerto Libertador, Department of Córdoba, Colombia, and is approximately 200 kilometres north of Medellín. The site is road accessible from the town of Puerto Libertador, approximately 20 kilometres away. Cordoba holds exploration licenses covering 149 square kilometres and has an additional 2,491 square kilometres of exploration licenses under application. San Matias contains several known areas of porphyry copper-gold, carbonate replacement, and gold vein mineralization.

On January 20, 2020, Cordoba announced its upcoming work program for 2020 at San Matias. Cordoba plans to accelerate development of the Alacran Deposit and began the pre-feasibility studies required to secure the necessary Colombian mining approvals[1]. Cordoba engaged Nordmin Engineering Ltd. ("Nordmin") to manage the work required to complete the Environmental Impact Assessment ("EIA") and the Mining Technical Work Plan (Programa de Trabajo y Obras or "PTO"), which are required to secure the necessary Colombian mining approvals for the Alacran Deposit. Due to the detailed technical nature of the work required for the EIA and PTO, Nordmin will also complete a PFS for Alacran in compliance with NI 43-101.

Work at site commenced in January 2020, and prior to the COVID-19 lockdown in Colombia in late March 2020, the Company was able to significantly advance fieldwork in areas where mine infrastructure is likely to be located. This included conducting geotechnical test-pits, and completing condemnation, geotechnical and hydrological drilling. Environmental evaluation work included the establishment of weather and air quality stations, site selection and preparation for acid rock drainage testing, and starting baseline assessments. Given the ongoing suspension of in-country operations due to COVID-19, Cordoba continued to advance desk-top work on the pre-feasibility studies for mine development at Alacran during the quarter ended June 30, 2020. Ongoing desk-top studies comprised investigating pit design options, evaluating infrastructure alternatives, constructing the base hydrogeological model, reviewing the planned geometallurgical drilling program, investigating options for the use of thickened tailings and collecting data from the solar-powered environmental station installed at site. The Company continues to monitor the ongoing developments surrounding COVID-19 and is prepared for the continued short-term impacts to the Company and its operations. Cordoba will be re-evaluating the timeline for completion of the PFS when restrictions are lifted.

Despite the early stage of fieldwork, there have been encouraging findings, which could add significant value to the project. These include:

- Potential to update the pit design and reduce the waste tonnes removed (i.e., improved stripping ratio) following an initial review of Rock Quality Designation data, which indicates that the western wall of the proposed pit might support a steeper wall angle;
- Options for relocation of key processing plant infrastructure to maximize gravity assistance with material movement to the Tailings Management Facility ("TMF");
- Possibility of co-mingling thickened tailings with waste rock to minimize the waste storage footprint; and

[1] Work performed prior to the COVID-19 lockdown was confined to titles adjacent to Alacran where mine infrastructure would be located as the Alacran title itself remained under force majeure (refer to Cordoba's news release dated August 9, 2019) during this time.

- Potential reduction in the earthworks required for pinning the dam-wall foundation, as depth to bedrock is shallower than anticipated in the proposed TMF area.

On July 3, 2019, the Company announced an updated Mineral Resource estimate for the San Matias Project, which was prepared by Glen Kuntz, P. Geo., of Nordmin. The NI 43-101 technical report titled "*NI 43-101 Technical Report And Resource Estimate, San Matías Copper-Gold-Silver Project, Colombia*" was filed on SEDAR on August 16, 2019 and has an effective date of July 3, 2019.

The San Matias project was the subject of a July 2019 Preliminary Economic Assessment ("PEA") titled "NI 43-101 Technical Report and Preliminary Economic Assessment, San Matías Copper-Gold-Silver Project, Colombia" filed on SEDAR on September 10, 2019 with an effective date of July 29, 2019. The PEA outlined a robust project with positive economics and management believes there is considerable scope to enhance project value through optimization studies.

The PEA was prepared by Nordmin, and included revisions to the San Matias Mineral Resource estimate that was completed by Nordmin and announced on July 3, 2019. Refer to the Company's news release dated July 29, 2019 for more PEA information.

Highlights of the PEA include:

- Conceptual 8,000 tonnes per day ("tpd") conventional open pit mining operation, increasing to 16,000 tpd after the processing plant expansion is completed in Year 6 – underpinned by 119.1 million tonnes of modeled mill feed grading 0.45% copper, 0.26 g/t gold and 2.41 g/t silver, supporting a 23-year life of mine. During the first five years, the PEA includes copper, gold and silver grades averaging 0.67%, 0.30 g/t and 3.74 g/t respectively with a low strip ratio of 0.82:1.
- PEA life of mine ("LOM") production of 417,300 tonnes of copper, 724,500 ounces of gold and 5,930,000 ounces of silver contained in a clean copper concentrate and precious metals doré. The copper concentrate is expected to contain very low contents of deleterious elements, such as arsenic and lead.
- Estimated annual copper production of 15,400 tonnes in concentrate in Years 1 to 5; increasing to 20,700 tonnes in Years 6 to 16; and averaging 18,100 tonnes per year over the total 23-year PEA life of mine.
- Average LOM C1 cash costs of US$1.32 per pound of copper, net of precious metals by-product credits.
- Initial capital expenditures of US$161.4 million, expansion capital expenditures of US$120.6 million and total PEA life of mine capital expenditures, including sustaining capital, Tailings Management Facility and reclamation costs, of US$527.5 million.
- Pre-tax NPV of US$347.0 million at an 8% discount rate and a pre-tax IRR of 26.8%, using metals price assumptions of US$3.25 per pound copper, US$1,400 per ounce gold and US$17.75 per ounce silver. A COP/US foreign exchange rate of 3,125:1 was applied. Pre-tax values include Colombian mining royalties of 4% of total precious metals revenue and 5% of total copper revenue.
- After-tax NPV of US$210.7 million at an 8% discount rate and an after-tax IRR of 20.3%, representing a 5.3-year payback using the same metals price assumptions.
- Over the PEA life of mine, the San Matias Project is expected to generate $180.7 million in royalty revenue plus US$331.2 million in income tax revenue to the government.
- Cordoba has identified additional opportunities to enhance the overall project economics, including delineation of the high-grade gold veins contained within the Alacran Deposit and optimization of mineral processing and metals recovery. Potential also exists for the discovery of the porphyry

sources for the Alacran and Montiel West deposits and for other deposits within the San Matias Project area.
- Indicated Mineral Resources at San Matias total 114.3 million tonnes grading 0.45% copper, 0.26 g/t gold and 2.42 g/t silver. Inferred Mineral Resources total 4.8 million tonnes grading 0.26% copper, 0.20 g/t gold and 1.21 g/t silver.

The PEA was independently prepared by Mr. Glen Kuntz, P.Geo., and Ms. Agnes Krawczyk, P.Eng., both of Nordmin, who are considered "Qualified Persons" under NI 43-101. The technical disclosure above is based upon the information in the PEA prepared by or under the supervision of Mr. Kuntz and Ms. Krawczyk.

The San Matias 2019 PEA is preliminary in nature and includes an economic analysis that is based, in part, on Inferred Mineral Resources. Inferred Mineral Resources are considered too speculative geologically for the application of economic considerations that would enable them to be categorized as Mineral Reserves and there is no certainty that the PEA results will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability and due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.

Acquisition of 100% Ownership of Alacran Copper-Gold-Silver Deposit

The Company was party to an option agreement, originally signed in February 2016, with Sociedad Ordinaria de Minas Omni ("OMNI"), Compañia Minera El Alacran S.A.S., CMH Colombia S.A.S. ("CMH"), and Cobre Minerales S.A.S. ("Cobre"), together the "OMNI Parties", to acquire a 100% interest in the Alacran Deposit ("Option Agreement"). Under the terms of this agreement, the Company agreed to undertake certain exploration commitments and to make certain scheduled cash payments during the exploration phase. On August 30, 2019, the Company advised the OMNI Parties of its intention to exercise its option to acquire the 100% interest in the Alacran Deposit pursuant to the Option Agreement, and became contractually obligated to make the fifth and final option payment of US$13.0 million to the OMNI Parties on or before June 30, 2020.

On June 30, 2020, the Company secured 100% ownership of Alacran as it had satisfied all existing obligations pursuant to the Option Agreement and acquired 100% of the outstanding common shares of CMH, and its wholly-owned subsidiary, Cobre, which holds the title to the Alacran Deposit.

The Alacran Deposit, an exploration and evaluation asset under the provisions of IFRS 6, is Cobre's principal asset and the acquisition was accounted for as an asset acquisition as substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset, the Alacran Deposit, and therefore did not meet the definition of a business under IFRS 3, *Business Combinations.*

At the time of acquisition, upon settlement of all obligations under the Option Agreement, the Company's non-current other asset for the right to acquire the 100% interest in the Alacran Deposit was expensed as an E&E acquisition cost within exploration and evaluation expenditures in the three and six months ended June 30, 2020.

Compañia Minera El Alacran S.A.S. ("CMA") one of the OMNI Parties, will retain a 2% net smelter royalty with an advanced royalty payment of US$500,000 commencing at the earlier of three years after the receipt of approvals to commence construction at Alacran, or six years after filing for approval to commence construction at Alacran.

Legal Actions in Colombia

On June 26, 2018, the Company terminated the employment contract of the former President of the Company's Colombian subsidiary, Minerales Cordoba S.A.S. ("Minerales"). Following this termination, new management of Minerales discovered a number of financial irregularities in Colombia, which were completed during the former President's tenure. Cordoba commenced a review of these transactions and discovered that other members of the former Colombian management of Minerales were involved in the transactions as well.

As a result of the ongoing review, Cordoba filed criminal lawsuits in late 2018 and in January 2019 with the Colombian prosecutors against nine members of former Colombian management, alleging breach of fiduciary obligations, abuse of trust, theft and fraud. The Colombian prosecutor service will determine if any formal charges should be laid. The Company is also seeking civil damages against some of these individuals. The monetary amounts alleged to have been taken are not yet finally determined, but are currently expected to exceed US$1.0 million.

All of the Company's mining titles, applications and operations in Colombia remain in good standing.

<u>Exploration Update</u>

During the three and six months ended June 30, 2020, the Company did not undertake any exploration activity at San Matias, as all work planned and performed was related to pre-feasibility studies. Furthermore, all operations were suspended in late March 2020 due to the government-mandated COVID-19 lockdown in Colombia.

On May 9, 2019, the Company announced the suspension of diamond drilling operations at Alacran due to potential security concerns raised by Company personnel and contractors after receiving demands and threats. The security and safety of the Company's employees, contractors and the local communities is of the highest importance and the suspension of operations will continue until the satisfactory completion of an investigation by the authorities.

On August 9, 2019, the Company announced that following its news release dated May 9, 2019, it had submitted a request to the National Mining Agency ("ANM") to temporarily suspend all obligations of the Company relating to the Alacran title. The ANM and Ministry of Defense subsequently conducted a review of safety at Alacran, determined that the Company's request was appropriate, and approved a suspension of all obligations as a result of force majeure until May 23, 2020, with operations to resume as normal beginning on May 24, 2020. On August 10, 2020, the Company received notification from the ANM that it had received approval for the suspension to be extended until November 23, 2020. The Company's operations and obligations relating to the Alacran and San Matias titles continue to be suspended not only as a result of the force majeure at Alacran, but also as a result of COVID-19 and the presidential order originally issued on March 20, 2020. Suspended obligations include, among other things, the minimum drilling requirements and completion of the EIA and PTO.

As of August 13, 2020, all obligations of the Company relating to the Alacran title remain suspended. Cordoba continues to maintain good relations with local communities in the surrounding area, and the Alacran title remains in good standing.

The Colombian authorities have identified the San Matias Project as a project of national interest and have pledged their assistance in advancing the project as quickly as possible.

Cordoba also plans to pursue further exploration in the San Matias district, including advancing the search for the porphyry sources of the Alacran and Montiel West deposits.

<u>Perseverance Joint Venture, Arizona</u>

On August 27, 2018, the Company, through its wholly-owned subsidiary Cordoba Minerals USA Corp., entered into a joint venture and earn-in agreement (the "Joint Venture Agreement") with Bell Copper Corporation

(TSXV: BCU) ("Bell Copper") and certain of its wholly-owned subsidiaries, to explore the Perseverance porphyry copper project located in northwestern Arizona, USA.

Cordoba has the option to earn up to an 80% interest in Perseverance through the acquisition of an equity interest in the joint venture company MMDEX LLC ("MMDEX"), a wholly-owned indirect subsidiary of Bell Copper, by completing certain phased project expenditures over a 7.5 year period as follows:

- Phase 1 - $1.0 million by April 24, 2020 to earn a 25% interest (completed).
- Phase 2 - An additional $3.0 million by April 24, 2022 for a total 51% interest.
- Phase 3 - An additional $3.0 million by April 24, 2024 for a total 70% interest.
- Phase 4 - An additional $10.0 million by April 24, 2026 for a total 80% interest.

On March 31, 2019, Cordoba's Phase 1 project expenditures surpassed $1.0 million and the Company acquired 25% of MMDEX in May 2019.

Exploration Update

In January 2020, Cordoba retained Quantec Geoscience ("Quantec") to extend magneto-telluric (MT) geophysics coverage at Perseverance using their Spartan MT system. The goal of the survey is to fully delineate a deep low-resistivity anomaly that had been identified by a 2017 MT survey and that remained open to the northeast. This anomaly is thought to reflect the southwestern edge of a concealed porphyry system. Similarly, large low-resistivity anomalies are associated with major porphyry copper systems elsewhere in the United States.

Results from the MT survey have been delayed due to COVID-19 related travel restrictions. Cordoba expects to complete the survey fieldwork and will announce the results once the data is available and has been processed.

Previously, on May 21, 2019, the Company provided an update on diamond drilling activity and final assay results of drill hole K-20 at Perseverance. K-20 is the first hole drilled under the Joint Venture Agreement between Cordoba and Bell Copper.

Highlights were as follows:

- The hole was pre-collared to a depth of approximately 300 metres before core drilling commenced in September 2018.
- Assay results from the hole, drilled vertically to a depth of 1,319 metres, returned anomalous copper values averaging 415 ppm copper over 595 metres (using a 200 ppm copper cut-off grade), beginning at a depth of 683 metres. The Company believes that this long intercept of anomalous copper indicates that the hole intersected the lower grade, peripheral part of a porphyry copper system.
- Porphyry-type propylitic, potassic, phyllic and advanced argillic alteration are all present in K-20 drill core. While epidote-rich propylitic alteration is pervasive, the other alteration types follow high-angle fractures and commonly show overprinting relationships. These fractures channeled copper-bearing fluids from a nearby porphyry source. Down-hole geophysical logging by Acoustic Televiewer suggested that this source lies to the northeast of K-20.
- The presence of hypogene enrichment of chalcopyrite mineralization by bornite and chalcocite was also noted in the drill hole. This is a key hydrothermal process in the giant, high-grade Resolution porphyry copper deposit in Arizona.

EXPLORATION AND EVALUATION EXPENDITURES

(Tabular amounts are expressed in thousands of Canadian dollars)

Exploration expenses ("E&E") are summarized by project as follows:

	Three months ended June 30,		Three months ended June 30,		Three months ended June 30,		Three months ended June 30,	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	San Matias		**Perseverance**		**Other**		**Total**	
Direct exploration costs	**$ 295**	$ 663	**$ 45**	$ 27	**$ -**	$ -	**$ 340**	$ 690
Indirect exploration costs	**489**	353	**44**	16	**-**	-	**533**	369
Site G&A costs	**557**	517	**22**	20	**-**	-	**579**	537
E&E acquisition costs	**17,757**	1,367	**7**	18	**-**	-	**17,764**	1,385
Share-based payments	**-**	-	**-**	-	**8**	22	**8**	22
Total E&E expenditures	**$ 19,098**	$ 2,900	**$ 118**	$ 81	**$ 8**	$ 22	**$ 19,224**	$ 3,003

	Six months ended June 30,		Six months ended June 30,		Six months ended June 30,		Six months ended June 30,	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	San Matias		**Perseverance**		**Other**		**Total**	
Direct exploration costs	**$ 1,360**	$ 924	**$ 289**	$ 454	**$ -**	$ -	**$ 1,649**	$ 1,378
Indirect exploration costs	**1,453**	656	**86**	89	**-**	-	**1,539**	745
Site G&A costs	**1,274**	998	**39**	50	**-**	-	**1,313**	1,048
E&E acquisition costs	**17,757**	1,381	**7**	30	**-**	-	**17,764**	1,411
Share-based payments	**-**	-	**-**	-	**19**	48	**19**	48
Total E&E expenditures	**$ 21,844**	$ 3,959	**$ 421**	$ 623	**$ 19**	$ 48	**$ 22,284**	$ 4,630

SELECTED QUARTERLY INFORMATION

(Tabular amounts are expressed in thousands of Canadian dollars, except for per share amounts)

The following table provides information for the eight fiscal quarters ended June 30, 2020:

	30-Jun-2020	**31-Mar-2020**	**31-Dec-2019**	**30-Sep-2019**
Revenue	$ -	$ -	$ -	$ -
Exploration and evaluation expenditures *	19,224	3,060	2,053	1,493
Other operating expenses *	699	553	603	683
Net loss	19,843	3,807	2,546	2,417
Net loss attributable to owners of Cordoba Minerals Corp.	19,755	3,580	2,427	2,396
Loss per share attributable to owners of Cordoba Minerals Corp. - basic and fully diluted	0.03	0.01	0.01	0.01
Total assets	17,047	26,802	20,890	20,691
Total liabilities	9,090	20,806	22,205	23,388
Shareholders' equity (deficit)	7,957	5,996	(1,315)	(2,697)

	30-Jun-2019	**31-Mar-2019**	**31-Dec-2018**	**30-Sep-2018**
Revenue	$ -	$ -	$ -	$ -
Exploration and evaluation expenditures *	3,003	1,627	1,703	1,377
Other operating expenses *	488	608	554	593
Net loss	3,443	2,222	2,200	1,991
Net loss attributable to owners of Cordoba Minerals Corp.	3,382	2,222	2,200	1,991
Loss per share attributable to owners of Cordoba Minerals Corp. - basic and fully diluted	0.01	0.01	0.01	0.00
Total assets	3,878	4,655	3,833	3,054
Total liabilities	4,259	1,534	818	514
Shareholders' equity (deficit)	(382)	3,120	3,015	2,541

* The Company has allocated its share-based payments expense between exploration and evaluation expenditures and corporate administration, based on the nature of the employee or contractors work.

The changes in the Company's financial results on a quarter-by-quarter basis are due primarily to fluctuations in the level of activity of the Company's exploration programs, project acquisitions and administration. The Company is a mineral exploration company and does not currently generate operating revenue.

E&E expenditures for the quarter ended September 30, 2018 included fieldwork relating to the Company's option to earn a 100% interest in the Alacran Deposit. In the quarter ended December 31, 2018, E&E expenditures increased as the Company commenced a drilling campaign at the Perseverance Project in Arizona, which continued throughout the quarter ended March 31, 2019. While exploration at Perseverance concluded on March 31, 2019, drilling activity then began at Alacran until it was suspended due to security concerns during the quarter ended June 30, 2019. The significant increase in E&E for the quarter ended June 30, 2019 was due to a $1.34 million (US$1.00 million) option payment relating to the Company's option to earn a 100% interest in the Alacran Deposit, as well as technical consulting expenditures that were incurred while preparing the PEA, which also contributed to the increase of E&E in the quarter ended September 30, 2019. E&E increased in the quarter ended December 31, 2019, as the Company incurred E&E acquisition costs and prepared for its planned 2020 work program to accelerate development of the Alacran Deposit. E&E increased in the quarter ended March 31, 2020 as the Company began the pre-feasibility studies required to secure the necessary Colombia mining approvals at San Matias. Those pre-feasibility studies continued throughout most of the first quarter of 2020, until the COVID-19 related lockdown began in late March. As a result, E&E direct, indirect and site G&A expenditures in the quarter ended June 30, 2020 decreased significantly compared to the prior quarter, as only desktop studies continued due to all employees and contractors working from home for the duration of the quarter. Overall, E&E expenditures increased significantly in the quarter ended June 30, 2020 due to the US$13M of E&E acquisition relating to the Alacran Deposit.

Other operating expenses fluctuate based on corporate activity, including non-cash share-based payments and fluctuations in exchange rates.

The fluctuations in total assets and shareholders' equity (deficit) generally reflect the timing and receipt of equity financing which increased cash resources in certain periods, while continued funding of the Company's exploration and evaluation expenditures and corporate administration decreased cash resources.

Total assets decreased in the quarter ended June 30, 2020 as the Company acquired the Alacran Deposit and the non-current asset was expensed to E&E acquisition costs in accordance with Cordoba's accounting policy to expense acquisition costs. The decrease was partially offset by the proceeds of the Rights Offering. The proceeds from the Rights Offering were used to make payments to the OMNI parties, which resulted in a significant decrease in total liabilities for the quarter ended June 30, 2020.

Total assets increased in the quarter ended March 31, 2020 as the Company completed a strategic equity investment with JCHX, whereby the Company issued 91,372,536 common shares of Cordoba to JCHX through a private placement at $0.12 per share, resulting in the receipt of gross proceeds of approximately $11.0 million. The Company then repaid the total amount owing on the Promissory Note of $3.62 million, which reduced total liabilities in the quarter ended March 31, 2020.

The significant increase in total assets and liabilities in the quarter ended September 30, 2019 relates primarily to the Company's contractual obligation to make the fifth and final cash payment of US$13 million (approximately $17.22 million as at September 30, 2019) to the OMNI Parties, pursuant to the Option Agreement. At September 30, 2019, the Company recorded a liability of $17.22 million and a corresponding non-current other asset for the right to acquire the 100% interest in the Alacran Deposit. At December 31, 2019, the non-current other asset and liability related to the Alacran Deposit were revalued to $16.90 million.

Liabilities also fluctuated due to drawdowns on the Promissory Note during the quarters ended June 30, September 30, and December 31, 2019. During the quarter ended December 31, 2019, draw-downs on the Promissory Note prior to September 25, 2019 and an accrued option payment related to the Alacran Deposit were converted into common shares of the Company.

The increase in total liabilities in the quarter ended March 31, 2019 relates to an increase in accounts payable and accrued liabilities, as well as the adoption of IFRS 16, which resulted in lease obligations (which previously would have been recorded as operating expenses) being recorded in the consolidated statements of financial position.

RESULTS OF OPERATIONS

(Tabular amounts are expressed in thousands of Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	**2020**	2019
Exploration and evaluation expenditures	**$ 19,224**	$ 3,003	**$ 22,284**	$ 4,630
Corporate administration	**609**	423	**1,067**	962
Amortization	**90**	65	**184**	134
Other (income) expense	**(98)**	17	**(119)**	(43)
Interest expense	**38**	25	**73**	33
Foreign exchange (gain) loss	**(20)**	(90)	**161**	(51)
Net loss for the period	**$ 19,843**	$ 3,443	**$ 23,650**	$ 5,665

For the three and six months ended June 30, 2020 and 2019, E&E expenditure comprises:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	**2020**	2019
Direct exploration costs	**$ 340**	$ 690	**$ 1,649**	$ 1,378
Indirect exploration costs	**533**	369	**1,539**	745
Site general and administration costs	**579**	537	**1,313**	1,048
E&E acquisition costs	**17,764**	1,385	**17,764**	1,411
Share-based payments	**8**	22	**19**	48
Exploration and evaluation expenditures	**$ 19,224**	$ 3,003	**$ 22,284**	$ 4,630

Second Quarter Results – Three months ended June 30, 2020 ("Q2 2020") compared to the three months ended June 30, 2019 ("Q2 2019")

Exploration and evaluation expenditures

E&E expenditures in Q2 2020 increased approximately $16.22 million compared to Q2 2019. The significant increase largely relates to the Company's accounting policy to expense E&E acquisition costs and as a result, the Company expensed approximately $17.76 million in E&E acquisition costs related to the fifth and final payment of the Option Agreement, to acquire the Alacran Deposit. In Q2 2019, the Company completed the fourth option payment of approximately $1.4 million. E&E activity, other than E&E acquisition costs, decreased in Q2 2020, largely due to the COVID-19 related restrictions which reduced the amount of work the Company was able to perform.

Direct exploration costs decreased by approximately $350,000 in Q2 2020 compared to Q2 2019. The decrease primarily relates to an approximate $368,000 decrease in expenditures in Colombia as the Company was only able to continue pre-feasibility studies, required to secure the necessary Colombian mining approvals at the Alacran Deposit, at a desktop level as all employees and contractors worked from home due to the COVID-19 lockdown. The desk-top studies performed included investigating pit design options, evaluating infrastructure alternatives, constructing the base hydrogeological model, reviewing the planned geometallurgical drilling program, investigating options for the use of thickened tailings and collecting data from the solar-powered environmental station installed at site, all of which were not incurred in the comparative period in 2019. This decrease in Colombia was partially offset by an approximate $18,000 increase at Perseverance.

Indirect exploration costs increased by approximately $164,000 in Q2 2020 compared to Q2 2019. The increases relates to increases of approximately $136,000 in Colombia and $28,000 in the USA. At San Matias, the significant increase in Q2 2020 related to the pre-feasibility studies, which resulted in an increase to technical staff and consultants compared to Q2 2019. Furthermore, due to the COVID-19 lockdown, camp and security costs increased to ensure that the camp was secure. Certain activities such as environmental evaluation were still able to be performed remotely, which also resulted in an increase compared to Q2 2019. Environmental evaluation work consisted of the establishment of weather and air quality stations, site selection and preparation for acid rock drainage testing, and the starting of baseline assessments. In comparison, Q2 2019 was relatively quiet as the Company had just re-started drilling, which lasted for approximately one month, and thus, costs incurred were much lower when compared to the current period.

Site general and administration costs increased by approximately $42,000 in Q2 2020 as compared to Q2 2019. This increase primarily related to a significant increase in professional fees, offset by decreases to travel and salaries in Colombia, as there was reduced activity due to the COVID-19 related restrictions.

E&E acquisition costs in Q2 2020 increased approximately $16.38 million compared to Q2 2019. The significant increase largely relates to the Company's accounting policy to expense E&E acquisition costs and as a result, the Company expensed approximately $17.76 million in E&E acquisition costs related to the fifth and final payment of the Option Agreement to acquire the Alacran Deposit. In Q2 2019, the Company completed the fourth option payment of approximately $1.34 million.

Corporate administration

Corporate administration expenditures in Q2 2020 increased approximately $186,000 compared to Q2 2019. The increase was largely related to an increase in director fees (included in salaries and benefits), professional fees and share-based payments, offset by reductions in salaries and benefits, excluding director fees, which were $19,000 lower in Q2 2020 compared to Q2 2019 as staffing levels have been reduced over the past year. The increase of $57,000 in share-based payments (share-based payments are calculated based on the fair value of the underlying options at date of grant and are amortized over the vesting patterns for each option) is typically not consistent from period to period due to amortization being recognized based on the vesting patterns of each option.

Amortization

In Q2 2020, the Company recorded $90,000 in amortization expense, which was an increase of approximately $25,000 compared to Q2 2019. This increase is attributable to the increase in right-of-use ("ROU") assets in the periods leading up to June 30, 2020 compared to June 30, 2019. During the year ended December 31, 2019, the Company entered into several new lease contracts and the Company recognized these as additions to its ROU assets, which resulted in an increased amortization expense in Q2 2020 compared to Q2 2019.

Interest expense

In Q2 2020, the Company recorded approximately $38,000 in interest expense compared to $25,000 in Q2 2019. Interest expense in both Q2 2019 and Q2 2020 includes interest on the Promissory Note from HPX and interest related to leases.

Year-To-Date Results – Six months ended June 30, 2020 (“YTD 2020”) compared to the six months ended June 30, 2019 (“YTD 2019”)

Exploration and evaluation expenditures

E&E expenditures in YTD 2020 increased approximately $17.65 million compared to YTD 2019. The significant increase largely relates to the Company’s accounting policy to expense E&E acquisition costs and as a result, the Company expensed approximately $17.76 million in E&E acquisition costs related to fifth and final option payment to acquire the Alacran Deposit. In YTD 2019, the Company completed the fourth option payment of approximately $1.34 million. E&E activity, other than E&E acquisition costs in YTD 2020 was consistent with YTD 2019, despite the COVID-19 related restrictions that were put in place in late March 2020. This was largely due to the significant increase in Colombia in Q1 2020 as the Company had commenced pre-feasibility studies required to secure the necessary Colombian mining approvals in January 2020, which resulted in a considerable increase in work performed compared to YTD 2019. The increase in Colombia was offset by a decrease at Perseverance as YTD 2020 activity consisted of a magneto-telluric (MT) geophysical survey, while YTD 2019 costs were considerably higher as the Company completed diamond drilling throughout the duration of the quarter.

Direct exploration costs increased by approximately $271,000 in YTD 2020 compared to YTD 2019. The increase primarily relates to an approximate $436,000 increase in expenditures in Colombia as the Company began pre-feasibility studies required to secure the necessary Colombian mining approvals at the Alacran Deposit. The work performed included conducting geotechnical test-pits, completing condemnation, hydrological and geotechnical drilling, and desktop engineering optimization studies, all of which were not incurred in the comparative period in 2019. After introduction of COVID-19 related restrictions, certain studies continued throughout Q2 2020 at desktop levels by employees and contractors from their homes, which contributed to the increase when compared to YTD 2019 as similar activities were not performed. This increase in Colombia was partially offset by an approximate $165,000 decrease at Perseverance, as more expenditures were incurred at Perseverance in YTD 2019 as the Company completed its planned diamond drilling program, while YTD 2020 activity related to the MT geophysical survey.

Indirect exploration costs increased by approximately $794,000 in YTD 2020 compared to YTD 2019. The increase relates to an approximate $797,000 increase in Colombia, offset by a decrease of approximately $3,000 at Perseverance. At San Matias, the significant increase in YTD 2020 related to the pre-feasibility studies, which increased the amount of staff and consultants at site and in camp, resulting in significant increases to all camp related costs. Cordoba also incurred significant increases in YTD 2020 due to expenditure on environmental evaluation, social costs and canon payments. Environmental evaluation work consisted of the establishment of weather and air quality stations, site selection and preparation for acid rock drainage testing, and the starting of baseline assessments. In comparison, YTD 2019 was relatively quiet as the Company had not started any significant work programs and thus, costs incurred were much lower when compared to the current period.

Site general and administration costs increased by approximately $265,000 in YTD 2020 as compared to YTD 2019. This increase primarily related to a significant increase in professional fees and travel expenses (during

Q1 2020) in Colombia, as there was increased activity due to the commencement of the 2020 work program in Q1 2020.

E&E acquisition costs in YTD 2020 increased approximately $16.35 million compared to YTD 2019. The significant increase largely relates to the Company's accounting policy to expense E&E acquisition costs and as a result, the Company expensed approximately $17.76 million in E&E acquisition costs related to fifth and final payment of the Option Agreement to acquire the Alacran Deposit. In YTD 2019, the Company completed the fourth option payment of approximately $1.34 million.

Corporate administration

Corporate administration expenditures in YTD 2020 increased approximately $105,000 compared to YTD 2019. The increase was largely related to an increase in director fees (included in salaries and benefits), professional fees, insurance and share-based payments, offset by reductions in salaries and benefits (excluding director fees), which were $51,000 lower in YTD 2020 compared to YTD 2019 as staffing levels have been reduced over the past year. The increase of $13,000 in share-based payments (share-based payments are calculated based on the fair value of the underlying options at date of grant and are amortized over the vesting patterns for each option) is typically not consistent from period to period due to amortization being recognized based on the vesting patterns of each option.

Amortization

In YTD 2020, the Company recorded $184,000 in amortization expense, which was an increase of approximately $50,000 compared to YTD 2019. This increase is attributable to the increase in ROU assets in the periods leading up to June 30, 2020 compared to June 30, 2019. During the year ended December 31, 2019, the Company entered into several new lease contracts and the Company recognized these as additions to its ROU assets, which resulted in an increased amortization expense in YTD 2020 compared to YTD 2019.

Interest expense

In YTD 2020, the Company recorded approximately $73,000 in interest expense compared to $33,000 in YTD 2019. Interest expense in YTD 2020 and YTD 2019 includes interest expense related to the accrued interest on the Promissory Note and lease liabilities.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2020, the Company had cash and cash equivalents of approximately $12.64 million (December 31, 2019 - $247,000) to apply against short-term business requirements and current liabilities of $9.03 million (December 31, 2019 - $22.07 million).

The primary uses of cash during the six months ended June 30, 2020 were for funding operating activities of $16.19 million (June 30, 2019 - $4.71 million) which included $10.21 million to secure a 100% interest in the Alacran Deposit.

In January 2020, upon successful closing of the JCHX strategic equity investment totaling approximately $11.0 million, the Company fully repaid the US$2.77 million ($3.62 million) in principal and accrued interest owing to HPX.

In June 2020, upon closing of the Rights Offering (see 'Corporate Activities' section), the Company received gross proceeds of $21.5 million from the Rights Offering, of which the Company used $10.18 million to pay a portion of the fifth and final option payment of US$13 million to the OMNI Parties to secure a 100% interest in the Alacran Deposit. Payment of the remaining $7.54 million of the total amount owed was deferred by HPX, one of the OMNI shareholders, as of June 30, 2020, and is expected to be paid during the three months ended September 30, 2020.

At June 30, 2020, the Company believed that it had adequate resources to maintain its minimum near-term obligations, including general corporate activities, based on its cash position, and the ability to pursue additional sources of financing, including equity placements. Cordoba estimates that it will have sufficient funding to cover general working capital expenses until Q4 2020, at which time it will pursue additional sources of financing.

The Company currently has no source of operating cash flow, and has no assurance that additional funding will be available to it for additional exploration and development programs at its properties, or to enable the Company to fulfill its obligations under any applicable agreements. The ability of the Company 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. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration of the Company's properties and the possible loss of title to such properties. Significant reliance is placed on HPX, the Company's controlling shareholder, for providing ongoing financing to the Company. Failure of HPX to provide or participate in financing, or the inability of HPX to provide or participate in financing, would likely result in difficulty for Cordoba to attract separate third-party investment. In addition, the spread of COVID-19 is having a negative impact on the financial markets, which is expected to affect the Company's ability to obtain additional financing, and may have a material adverse effect on the Company's business, results of operations and financial condition. As such, there is material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

During the six months ended June 30, 2020, the Company was not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, capital expenditures, liquidity or capital resources of the Company.

PROPOSED TRANSACTIONS

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(Tabular amounts are expressed in thousands of Canadian dollars)

The Company is exposed to risks that arise from its use of financial instruments. The Company's exposures to financial risk and how the Company manages each of those risks is described in the Company's MD&A for the year ended December 31, 2019. There were no significant changes to the Company's exposure to those risks or to the Company's management of its risk exposures during the six months ended June 30, 2020.

Determination of Fair Value

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 fair value through profit or loss or fair value through other comprehensive income ("FVTOCI").

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

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

		June 30, 2020		December 31, 2019
Financial assets				
Financial assets measured at amortized cost				
Cash and cash equivalents	**$**	**12,642**	$	247
Other receivables		**13**		19
Deposits		**750**		196
Financial assets measured at FVTOCI				
Investments		**314**		186
Total financial assets	**$**	**13,719**	$	648
Financial liabilities measured at amortized cost				
Accounts payable and accrued liabilities	**$**	**542**	$	676
Due to related parties		**7,938**		3,567
Lease liability		**268**		414
Other liability		**341**		17,548
Total financial liabilities	**$**	**9,089**	$	22,205

Fair Value Hierarchy

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 valued using level one inputs.

RELATED PARTY TRANSACTIONS

(Tabular amounts are expressed in thousands of Canadian dollars)

The Company had transactions during the three and six months ended June 30, 2020 and 2019 with related parties consisting of directors, officers, HPX, the OMNI Parties and Computational Geosciences Inc. ("CGI"), which are both members of the same HPX group, a company that is owned partially by Cordoba, and a company that is controlled by a closely related family member of one of Cordoba's non-independent directors. These related party transactions, which are described below and in the corporate activities section, are in the normal course of operations and are measured at the exchange amount of the services rendered.

Expenses

During the three and six months ended June 30, 2020, the Company incurred approximately $48,000 and $99,000 (June 30, 2019 - $32,000 and $36,000) in E&E expenditures and corporate administration expenditures with HPX. The costs incurred consist of technical and managerial services provided for the

Company's exploration projects, as well as corporate travel expenditures. Additionally, during the three and six months ended June 30, 2020, the Company charged HPX approximately $23,000 and $46,000 (June 30, 2019 - $20,000 and $45,000), relating to E&E salaries and expenses.

During the three and six months ended June 30, 2020, the Company incurred approximately $238,000 and $514,000 (June 30, 2019 - $248,000 and $404,000) in E&E and corporate administration expenditures with Global Mining Management Corporation ("GMM"), a private company based in Vancouver. Cordoba held 7.7% of GMM's common shares at June 30, 2020. The costs incurred consist of administrative, technical and managerial services provided to the Company on a pro-rata cost sharing basis under the provisions of the "Shareholders' Corporate Management and Cost Sharing Agreement" between the Company and GMM. The investment in GMM is held at $Nil on the consolidated statements of financial position.

During the three and six months ended June 30, 2020, the Company incurred approximately $41,000 and $59,000 (June 30, 2019 - $Nil and $Nil) in directors fees.

During the three and six months ended June 30, 2020, the Company incurred approximately $Nil and $50,000 (June 30, 2019 - $Nil and $Nil) in technical E&E expenditures provided by CGI, a private company based in Vancouver, Canada, which is also a member of the same HPX group.

During the three and six months ended June 30, 2020, the Company incurred approximately $54,000 and $84,000 (June 30, 2019 - $Nil and $Nil) in professional consulting services from Vagon Capital SAS, a company that is controlled by a close family member of one of the Company's non-independent directors.

During the three and six months ended June 30, 2020, the Company incurred approximately $17.73 million and $17.73 million (June 30, 2019 - $1.34 million and $1.34 million) in E&E acquisition costs related to the OMNI Parties.

Deposits

At June 30, 2020, the Company had a deposit of $80,000 (December 31, 2019 - $80,000) held by GMM. This deposit is recorded in prepaid expenses and deposits.

Amounts due to related parties

		June 30, 2020		December 31, 2019
GMM payables and accrued liabilities	**$**	**69**	$	135
HPX payables and accrued liabilities		**7,819**		102
CGI payables and accrued liabilities		**50**		-
HPX short-term loan		**-**		3,331
Total due to related parties	**$**	**7,938**	$	3,568

The payables and accrued liabilities owing to GMM and HPX are unsecured, non-interest-bearing and payable on demand.

On June 30, 2020, the Company completed the acquisition of the 100% interest in the Alacran Deposit and the OMNI Liability was settled through cash payments of US$7.5 million ($10.18 million), and a deferral agreement with HPX, one of the shareholders of the OMNI Parties, for their US$5.5 million ($7.54 million) portion of the final payment. The balance of US$5.5 million ($7.54 million) was reclassified from other liability to due to related parties at June 30, 2020. At June 30, 2020, the other liability includes $Nil (December 31, 2019 - $16.90 million) payable to the OMNI Parties.

On September 25, 2019 the Company arranged short-term loan financing from HPX under the terms of an Unsecured Promissory Note Agreement, which has been provided in the form of a grid promissory note. The Promissory Note had a maturity date of December 31, 2019, and an interest rate of 10% per annum, with interest accruing daily and all interest compounding only at maturity. The interest rate increased to 12% per annum as the Company did not repay the amount owing upon the maturity date. In January 2020, the Company completed a final draw-down on the Promissory Note of approximately US$192,000 ($251,000). Upon closing of the Private Placement with JCHX in January 2020, the Company repaid the total amount owing on the Promissory Note, which consisted of principal and interest of approximately US$2.77 million ($3.62 million). Aggregate interest expense on the Promissory Note of approximately $Nil and $23,000 was recorded in the statements of loss and comprehensive loss for the three and six months ended June 30, 2020 (June 30, 2019 - $Nil and $Nil). Interest expense of approximately $18,000 was recorded for both the three and six months ended June 30, 2019 in relation to the short-term loan financing arranged in June 2019, and subsequently converted to equity in September 2019.

Leases

In December 2018, the former CEO of the Company financed a vehicle on behalf of the Company for operations at the Perseverance Project. The Company is leasing this vehicle from the former CEO. At June 30, 2020, the lease liability for the vehicle was approximately $34,000 (December 31, 2019 - $35,000) with a remaining lease term of 53 months and an interest rate of 11.29%.

Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers.

	Three months ended June 30,		**Six months ended June 30,**	
	2020	2019	**2020**	2019
Salaries and benefits	**$ 173**	$ 136	**$ 349**	$ 381
Share-based payments *(i)*	**137**	-	**137**	-
Total key management compensation	**$ 310**	$ 136	**$ 486**	$ 381

(i) Share-based payments represent the fair value of DSUs and stock options granted during the reporting period, on the date of the grant. The fair value of the stock options granted during the reporting period was determined using the Black-Scholes option pricing model.

SHARE POSITION AND OUTSTANDING WARRANTS AND OPTIONS

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

At August 13, 2020, the Company had the following issued and outstanding:

- 897,603,415 common shares.
- 71,315,241 share purchase warrants with a weighted average exercise price of $0.088. The outstanding share purchase warrants are exercisable to purchase a total of 89,028,971 common shares of the Company, at prices ranging from $0.075 to $0.096.
- 9,795,705 stock options with a weighted average exercise price of $0.33. Each stock option is exercisable to purchase one common share of the Company at prices ranging from $0.065 to $1.00.
- 2,353,166 deferred share units.
- 8,334 restricted share units.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

For the disclosure required under Section 5.3 of National Instrument 51-102 – *Continuous Disclosure Obligations*, please see “Exploration Update”, “Selected Quarterly Information” and “Exploration and Evaluation Expenditures”.

OTHER DATA

Additional information related to the Company is available for viewing under the Company’s profile at www.sedar.com.

ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

The Company has adopted the following amendments to IFRS:

Amendments to IFRS 3, *Business Combinations* (effective January 1, 2020) assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. The definition of a business has been amended to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and to exclude returns in the form of lower costs and other economic benefits. The amendment includes an added test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. These amendments did not impact the Company’s consolidated financial statements or disclosures at the time of adoption.

Amendments to IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* (effective January 1, 2020) were made to refine the definition of material in IAS 1 and align the definitions used across IFRS Standards and other publications. The concept of ‘obscuring’ material information with immaterial information has been included as part of the new definition and the threshold for materiality influencing users has been changed from ‘could influence’ to ‘could reasonably be expected to influence’. These amendments did not impact the Company’s consolidated financial statements or disclosures at the time of adoption.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET APPLIED

The Company has not applied the following amendments to standards that have been issued but are not yet effective:

Amendments to IFRS 16, *Leases* (effective for annual reporting periods beginning on or after June 1, 2020) provides lessees with a practical expedient that relieves the lessee from assessing whether a COVID-19 related rent concession is a lease modification, which, if applied, would require them to account for COVID-19 related rent concessions as if they were not lease modifications. Lessees applying the practical expedient will be required to disclose whether it has been applied to all eligible contracts, or, if not, information about the nature of the contracts to which the practical expedient has been applied. Furthermore, the lessees will be required to apply the practical expedient retrospectively, recognizing the cumulative effect of applying the amendment as an adjustment to the opening retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment. Management is currently assessing the impact of this amendment.

Amendments to IAS 1, *Presentation of Financial Statements* (effective January 1, 2023) clarifies the presentation of liabilities in the statement of financial position. The classification of liabilities as current or noncurrent is based on contractual rights that are in existence at the end of the reporting period and is unaffected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. Management is currently assessing the impact of this amendment.

RISKS AND UNCERTAINTIES

The Company is engaged in mineral exploration and development activities which, by nature, are speculative. Due to the high-risk nature of the Company's business and the present stage of the Company's various projects, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A and the Company's other public disclosures, including the risks disclosed in the "Risk Factors" section of the Company's MD&A for the year ended December 31, 2019, prior to making any investment in the Company's common shares. Additional risks not currently known to the Company, or that the Company currently considers immaterial, may also adversely affect the Company's business, result of operations, financial results, prospects and price of common shares.