**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**For the three and six months ended June 30, 2021**

## 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 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, 2021 (the "financial statements"), the audited consolidated financial statements and notes thereto for the year ended December 31, 2020 and the MD&A for the year ended December 31, 2020.

All information contained in this MD&A is current as of August 12, 2021, 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regarding future events, performance and results, and are accurate only at the time of this MD&A, and may be superseded by more current information.

In this MD&A, forward-looking statements relate, but are not limited to: the development, operational and economic results of the PEA, including cash flows, capital expenditures, development costs, extraction rates, life of mine cost estimates; mineral resources; magnitude or quality of mineral deposits; anticipated advancement of the Company's projects; future operations; future exploration prospects; the completion and timing of future development studies, including the EIA, PTO and PFS; PFS work at Alacran; results of metallurgical test work and potential metals recoveries; potential project optimizations; future growth potential of the Company's projects and development plans; planned exploration and development programs and expenditures; proposed exploration plans and expected results of exploration and drilling from the Company's projects; submission of, and anticipated results of, permitting applications; planned environmental studies; the Company's ability to obtain licenses, permits and regulatory approvals required to implement expected future exploration plans, and timing theoreof; timing of payments to acquire mineral properties; changes in commodity prices and exchange rates; currency and interest rate fluctuations; legal disputes or anticipated outcomes of legal proceedings; relationships with local communities; social unrest; security on site and generally in Colombia; and impact of COVID-19 on the timing of exploration work and development studies.

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: the status of community relations and the security situation on site and in Colombia; 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; currency fluctuations; and impact of the COVID-19 pandemic.

This MD&A also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgements 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 judgements 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. Investors are cautioned not to put undue reliance on 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" in the MD&A for the year ended December 31, 2020; 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; actual exploration results, interpretation of metallurgical characteristics of the mineralization, changes in project parameters as plans continue to be refined, future metal prices, legal disputes or unanticipated outcomes of legal proceedings; social unrest; a deterioration of security on site in Colombia or actions by the local community that inhibits access and/or ability to productively work on site; 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 pandemic 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 12, 2021.

## 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 and registered office is located at Suite 606 – 999 Canada Place, Vancouver, British Columbia, Canada, V6C 3E1.

On April 30, 2021, High Power Exploration Inc. ("HPX"), the Company's privately owned majority shareholder, transferred its rights and assets, including its majority interest in Cordoba, to its affiliate company, Ivanhoe Electric Inc. ("Ivanhoe Electric") under a contribution agreement. Accordingly, Ivanhoe Electric is now the majority shareholder of Cordoba, and holds 58.9% of the Company's issued and outstanding common shares.

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 base and precious 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 is progressing through the pre-feasibility studies required to secure the necessary Colombian mining approvals. Cordoba plans to continue further exploration throughout the San Matias district, including advancing the search for the porphyry sources of the Alacran and Montiel West deposits.

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 and development 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 plans to seek additional financing in order to further evaluate its mineral properties.

A global pandemic related to COVID-19 was declared by the World Health Organization in March 2020. The current and expected impacts of COVID-19 on the Company's current operations are being closely monitored. There has been significant volatility in global markets including foreign exchange rates and commodity prices, supply chain disruptions, economic slow-downs, lockdowns and travel restrictions. Countries around the world have imposed a variety of restrictions since the pandemic was declared, including lockdowns, and are asking people to self-isolate and 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. The Company has followed the requirements and advice of government and health authorities in Canada, the United States and Colombia and has implemented measures at the corporate offices and all sites to protect employees, contractors and host communities. These measures are continuously reviewed and updated to reflect current circumstances. The Company continues to monitor ongoing developments surrounding COVID-19, including the impact of the COVID-19 variants and the distribution of vaccines, 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

### Share Consolidation

On September 25, 2020, the shareholders of the Company voted in favour of the special resolution at the Company's Annual General and Special Meeting, to approve a consolidation of its shares on the basis of one (1) post-Consolidation share for up to every thirty (30) pre-Consolidation shares, as may be determined by the Board of Directors of the Company in its sole discretion.

Cordoba's Board of Directors determined to proceed with a share consolidation, approving a ratio of one (1) post-Consolidation share for every seventeen (17) pre-Consolidation shares held effective at the opening of the market on February 9, 2021 (the "Consolidation" or "Share Consolidation"). The Company's name and trading symbol for the Company's shares on the TSX Venture Exchange remained unchanged and no fractional shares were issued under the Consolidation.

The Consolidation took effect at the opening of the market on February 9, 2021, and the Company's 959,244,498 common shares issued and outstanding at that time were consolidated into 56,426,146 shares. The Company's convertible securities, which comprise share purchase warrants, share purchase options, restricted share units and deferred share units were all adjusted in accordance with the terms of the seventeen (17) for one (1) Share Consolidation.

As a result of the Share Consolidation occurring during the reporting period, all historical share and per share data presented in the Company's financial statements and this MD&A have been retrospectively adjusted to reflect the Share Consolidation, unless otherwise noted.

### Private Placement – February 2021

On December 23, 2020, the Company closed the first tranche of its $5.2 million non-brokered private placement announced on December 4, 2020 (the "Q1 Private Placement"). In connection with the closing of this tranche, the Company issued an aggregate of 61,632,749 pre-Consolidation units of the Company (the "Units") at a price of $0.075 per Unit for gross proceeds of $4.62 million. Each Unit consisted of one common share of the Company and one share purchase warrant. At issuance, prior to the Share Consolidation, each warrant entitled the holder, on exercise, to purchase one pre-Consolidation common share of the Company anytime on or before December 23, 2022 at a price of $0.115 per one common share.

The second and final tranche of the Q1 Private Placement (the "JCHX Tranche") was subscribed to by JCHX Mining Management Co., Ltd ("JCHX") in December 2020, as JCHX agreed to purchase 7,700,584 pre-Consolidation Units at a price of $0.075 per Unit for gross proceeds of $577,543 to maintain a 19.99% interest in the Company on a partially diluted basis. The closing of the JCHX Tranche was subject to JCHX receiving customary approvals and registration with Chinese regulatory agencies. These approvals were received in February 2021, and the JCHX Tranche closed on February 18, 2021. As the JCHX Tranche closed subsequent to the effective date of the Share Consolidation, the subscription was adjusted to account for the impact of the Consolidation, and JCHX was issued 452,975 Units at a price of $1.275 per Unit to maintain their 19.99% interest in the Company on a partially diluted basis. The Units consisted of one common share and one share purchase warrant, which allows JCHX to purchase one common share at any time on or before February 18, 2023, at a price of $1.955 per share.

Upon completion of the JCHX Tranche, the Company had received total gross proceeds of $5.2 million from the Q1 Private Placement and the net proceeds have been used to advance fieldwork supporting the pre-feasibility studies at Alacran and for general corporate purposes.

<u>Exercise of warrants</u>

On April 12, 2021, Cordoba announced that HPX had fully exercised its five-year share purchase warrants originally granted on June 26, 2020. The warrants had an exercise price of $1.275 per share, providing Cordoba with gross proceeds of $1.64 million. As a result, 1,288,830 common shares of the Company were issued, and HPX's interest in the Company increased to 58.9%. This interest was subsequently transferred from HPX to Ivanhoe Electric on April 30, 2021.

<u>Private Placement – June 2021</u>

On May 20, 2021, the Company announced a non-brokered private placement with Ivanhoe Electric and JCHX, which closed in two separate tranches in June 2021 (the "Q2 Private Placement"). In connection with the closing of the first tranche of the Q2 Private Placement on June 2, 2021, the Company issued an aggregate of 1,823,685 common shares of the Company to Ivanhoe Electric at a price of $1.10 per common share, for gross proceeds of approximately $2.0 million.

On June 21, 2021, the Company closed the second tranche the Q2 Private Placement after issuing an aggregate of 1,231,962 common shares of the Company to JCHX at a price of $1.10 per common share, for gross proceeds of approximately $1.36 million, increasing JCHX's shareholding in Cordoba to 19.99% on an undiluted basis.

The Company received total gross proceeds of approximately $3.36 million and incurred approximately $21,000 in share issue costs in connection with the Q2 Private Placement. The net proceeds have been used to advance fieldwork supporting the pre-feasibility studies at Alacran and for general corporate purposes.

Changes to Officers

On April 26, 2021, Cordoba announced the appointment of Sarah Armstrong-Montoya as President and Chief Executive Officer ("CEO") of the Company. Ms. Armstrong-Montoya replaced outgoing interim President and CEO, Eric Finlayson, who served as interim President and CEO since April 1, 2019 and returned to full-time duties as President of HPX.

On July 23, 2021, Cordoba announced the appointment of David Garratt as Chief Financial Officer ("CFO") of the Company, effective September 1, 2021. Mr. Garratt will replace outgoing CFO, Chris Cairns, who has resigned effective September 1, 2021 in order to pursue other opportunities.

## EXPLORATION AND DEVELOPMENT 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 145.57 square kilometres and has an additional 812.2 square kilometres of exploration licenses under application. San Matias contains several known areas of porphyry copper-gold, carbonate replacement, and gold vein mineralization.

In January 2020, Cordoba commenced its work program at San Matias which includes plans to accelerate development of the Alacran Deposit and begin the 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. Cordoba must submit the PTO to authorities by November 19, 2021 and the EIA in the first half of 2022 in order maintain the validity of the licenses and be eligible for receipt of applicable mining approvals. Due to the detailed technical nature of the work required for the EIA and PTO, Nordmin plans to also complete a Pre-Feasibility Study ("PFS") for Alacran in compliance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

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 which are all still ongoing. While in-country operations were suspended due to COVID-19, Cordoba continued to advance desktop work on the studies for mine development at Alacran during the period of April 2020 to November 2020. Desktop 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.

On November 30, 2020, the Company recommenced fieldwork at Alacran following the relaxation of COVID-19 restrictions in the country and expiry of the Alacran title force majeure. The focus of fieldwork continued to be on obtaining the technical information needed to complete the EIA and PTO required to secure the

[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.

necessary Colombian mining approvals for the Alacran Deposit. Three diamond drill rigs were mobilized to the Alacran site in late November 2020, and a fourth drill rig was mobilized in January 2021.

On March 15, 2021, the Company announced that it had been informed of an operation carried out by the Colombian National Police in Colombia to shut down illegal gold mining activities and to improve regional security at Alacran. The intervention by the Colombian authorities was in response to illegal gold mining activities being undertaken by a group of individuals on Cordoba's title, and was a direct result of the National Government's initiative to eliminate illegal mining, through which there have been several similar interventions recently in other parts of the country. The Colombian National Police and Police against Illegal Mining act independently and take actions they consider necessary to maintain public order in the country. No Cordoba personnel were on site during the operation, and the Company resumed PFS fieldwork on March 20, 2021.

On March 31, 2021, the Company provided an update on PFS fieldwork, and released results of six (6) of the metallurgical drill holes for which assays have been received (refer to the Company's news release dated March 31, 2021). The highlight of these results was ACD085 which returned 35.3m of 1.04% copper equivalent from 16.4m depth, confirming some of the higher grades that early mining can expect to extract. The metallurgical holes were originally designed to intersect shallow material to be mined in the first five years of production. However, with drill casing still in holes, the decision has been taken to deepen the holes towards the bottom of the planned pit where the current drill spacing and grade estimate is lower. This is expected to help push higher-grade areas lower within the pit and hopefully extend the pit to greater depth.

On May 13, 2021, the Company provided a further update on the status of PTO studies and PFS fieldwork at Alacran, including early metallurgical test results indicating strong recoveries for copper and gold. Approximately 94% of planned test pits have been completed. Furthermore, metallurgical test work completed by Blue Coast Metallurgy & Research indicates recoveries of ~90% copper to a ~20% copper concentrate based on data generated from fresh samples. Gold recoveries averaged ~83%. Work is ongoing to determine the metallurgical properties of the saprolite and transition materials present at Alacran. Diamond drilling in support of the PFS is now complete and the drill rigs have been demobilized.

Most of the remaining fieldwork contemplated for preparation of the PFS is located in and around the Alacran village. The operation conducted by the Colombian National Police in March has resulted in increased tension with some members of the local Alacran community and for the months following, Company personnel were accompanied by members of the military and Colombian National Police when conducting fieldwork near the Alacran community, in order to maintain security and deter conflict. The relationship with the Alacran community has greatly improved in the last couple of months and the Company has re-started work in the Alacran village area and the PTO and PFS currently remain on track.

Cordoba continues working with the local communities within the area of impact, and is currently focused on developing a social program with short-, medium-, and long-term benefits to all members of the communities potentially impacted by the project. Ongoing engineering design work includes: investigating pit design options, evaluating infrastructure alternatives, assessing plant options for fresh ore and mineralized saprolite and examining the use of thickened tailings.

COVID-19

In Colombia, a presidential order was issued on March 20, 2020 for mandatory nation-wide isolation beginning on March 24, 2020, which included strict limits on the movement of people, a restriction on international and domestic air travel and the closure of non-essential businesses. On September 1, 2020, Colombian authorities slowly started lifting certain COVID-19 restrictions, with national and international flights resuming later that month. A negative PCR COVID-19 test is currently required before travelling into Colombia. There are ongoing biosecurity requirements mandated by the Colombian Government such as face masks in public, temperature checks prior to entering into any commercial building, use of hand sanitizer, symptom reporting, app tracking for movements around the country and gatherings restricted to fifty (50) people remain in place. All work at site requires the implementation of health protocols, including self-distancing, disinfection procedures, use of protective masks and COVID-19 testing. Furthermore, in late April 2021, the Company implemented a new rule requiring all contractors and employees travelling to site to produce a negative PCR test prior to boarding their flight to the region. This is followed by a rapid COVID-19 test prior to entry to the site, as well as daily rapid tests for all individuals at site. The Company continues to monitor the ongoing developments surrounding COVID-19 at San Matias, its host communities and Colombia in general. The continued impact of COVID-19, and COVID-19 variants is uncertain, and despite vaccines being distributed globally, the COVID-19 pandemic could have a material adverse effect on the Company, and its current and future work programs in Colombia.

Community Relations

The Company has made a priority of fostering a positive relationship with the local communities in the San Matias Project area as a means of building support among the residents and mitigating potential conflicts. These efforts have included regional support such as education, health, infrastructure, sports and recreation and agriculture. The Company is also in the process of formalizing four (4) artisanal mining families from the Montiel East, Montiel West, Raa and Capitana areas who meet the requirements under Colombian law to become legal and commercialize their production. The Company believes that it has the broad support of a majority of the residents of the local communities as well as the full support of all levels of government for the advancement of the project.

Notwithstanding these efforts, some residents of the local communities in the San Matias Project area have historically been involved in activities that would be disruptive to the orderly development of the project, including civil insurrection and illegal, artisanal mining on the property. This legacy complicates the process of community relations and heightens the importance of a strong program of community engagement. It has previously, and continues to impact the project. The National Mining Agency ("ANM") suspended the Alacran title from May 2019 through to November 2020 as a result of security concerns.

In addition, since recommencing work on the San Matias Project in November 2020, there have been incidents in which some members of the El Alacran community have demonstrated opposition to Cordoba's operations. These incidents have included blockades on transport of equipment and personnel and initiation of legal proceedings contesting the Company's rights to the San Matias Project. The Company believes that the individuals fomenting this opposition represent a small proportion of the community and the Company is working with the government to resolve these issues through a process of engagement and the enforcement of legal rights. The Company has been able to continue operations despite these incidents, although such incidents have slowed the progress of work on site. The Company continues to closely monitor developments in the communities. See "*Risks and Uncertainties*" section within the MD&A for the year ended December 31, 2020 for further details.

The Company, along with its internal and external security advisors, worked in cooperation with the Colombian National Police and military in preparation for the mobilization and recommencement of activity on the Alacran Deposit. The Company expects that it will have the presence and support of the Colombian National Police and military for the duration of its current work program.

Mineral Resource Estimate and Preliminary Economic Assessment

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 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 Colombian Peso ("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.

<u>Net Smelter Royalty</u>

The Alacran Deposit is subject to 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. Ivanhoe Electric holds the right to 62.5% of this 2% net smelter royalty.

<u>Legal Actions in Colombia</u>

On June 26, 2018, the Company terminated the employment contract of the former President of the Company's Colombian subsidiaries, Minerales and Exploradora (the "Colombian Subsidiaries"). Following this termination, new management of the Colombian Subsidiaries 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 were also involved in the transactions, and their employment contracts were also terminated.

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 in connection with the monetary amounts alleged to have been misappropriated. The Company may never be able to determine the exact amounts that have been misappropriated but management estimates the amount to be between 9.29 billion COP and 14.27 billion COP (approximately US$2.3 million and US$3.7 million).

On October 21, 2020, the Company learned through various news reports that the former President of Minerales, along with four other former employees (three of which were retired military personnel) and an additional five active and retired military personnel were arrested and subsequently indicted in connection with alleged illegal activities constituting crimes against the State. These charges were brought by the Attorney General and the Company is not a party to these legal proceedings.

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

Exploration Update

During the three and six months ended June 30, 2021, the Company did not undertake any exploration fieldwork in Colombia, as all work planned and performed was related to the PFS.

Cordoba 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. An exploration program is being designed to search for concealed porphyry copper-gold deposits believed to underlie the Alacran replacement copper-gold deposit and the Montiel West volcanic-hosted stockwork mineralization. The porphyry target at Alacran was identified through recognition of late-mineral andesitic and dacitic breccias containing mineralized porphyry fragments. The breccias were emplaced along the same structures that introduced the Alacran mineralizing fluids. Known copper-gold mineralization at Montiel West is hosted by basaltic andesite volcanic rocks, with the intrusive source not yet found. Exploration at both prospects are expected to involve preparatory geophysical surveys followed by the diamond drilling of resulting targets.

Technical information and qualified person

The technical information in this MD&A pertaining to San Matias has been reviewed, verified and approved by Mark Gibson, Pr.Sci.Nat., a Qualified Person for the purpose of NI 43-101. Mr. Gibson is the Chief Operating Officer of Cordoba and is not considered independent under NI 43-101.

Cordoba utilizes a comprehensive industry-standard QA/QC program. PQ diamond drill core is sawn lengthwise in two halves, and one half is sampled and shipped to a sample preparation laboratory. The other half of the core is stored in a secure facility for future assay verification. All samples are prepared at ALS Minerals Laboratory in Medellin, Colombia, and assayed at ALS Minerals Laboratory in Vancouver, Canada. ALS Minerals operates in accordance with ISO/IEC 17025. Gold is determined by 50 g fire assay with an AAS finish. An initial multi-element suite comprising copper, molybdenum, silver and additional elements is analyzed by four-acid digest with an ICP-ES or ICP-MS finish. All samples with copper values over 2000 ppm are re-assayed by a method for higher grades, which also uses a four-acid digest with an ICP-ES finish. Certified reference materials, blanks, and duplicates are inserted into the sample stream to monitor laboratory performance.

Mr. Gibson has supervised the data verification and QA/QC programs in respect of the exploration results reported in this MD&A.

**Perseverance Joint Venture, Arizona**

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”), which was 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 (in progress).
- 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 was 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 copper system. Similar, large low-resistivity anomalies are associated with major porphyry copper systems elsewhere in the United States.

Cordoba continues to evaluate its options to continue the MT Survey, which was suspended in March 2020 due to COVID-19.

In May 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.

Technical information and qualified person

The technical information in this MD&A pertaining to Perseverance has been reviewed, verified and approved by Charles N. Forster, P.Geo., a Qualified Person for the purpose of NI 43-101. Mr. Forster is the Vice President, Exploration of Cordoba and is not considered independent under NI 43-101.

## EXPLORATION AND EVALUATION EXPENDITURES

*(Tabular amounts are expressed in thousands of Canadian dollars)*

Exploration and evaluation ("E&E") expenditures 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, | |
|---|---|---|---|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 | **2021** | 2020 | **2021** | 2020 |
| | **San Matias** | | **Perseverance** | | **Other** | | **Total** | |
| Direct exploration costs | **$ 1,914** | $ 295 | **$ -** | $ 45 | **$ -** | $ - | **$ 1,914** | $ 340 |
| Indirect exploration costs | **1,047** | 489 | **36** | 44 | **-** | - | **1,083** | 533 |
| Site G&A costs | **1,167** | 557 | **13** | 22 | **-** | - | **1,180** | 579 |
| E&E acquisition costs | **-** | 17,757 | **-** | 7 | **-** | - | **-** | 17,764 |
| Share-based payments | **-** | - | **-** | - | **99** | 8 | **99** | 8 |
| **Total E&E expenditures** | **$ 4,128** | $ 19,098 | **$ 49** | $ 118 | **$ 99** | $ 8 | **$ 4,276** | $ 19,224 |
| | **Six months ended June 30,** | | **Six months ended June 30,** | | **Six months ended June 30,** | | **Six months ended June 30,** | |
| | **2021** | 2020 | **2021** | 2020 | **2021** | 2020 | **2021** | 2020 |
| | **San Matias** | | **Perseverance** | | **Other** | | **Total** | |
| Direct exploration costs | **$ 3,924** | $ 1,360 | **$ -** | $ 289 | **$ -** | $ - | **$ 3,924** | $ 1,649 |
| Indirect exploration costs | **1,964** | 1,453 | **93** | 86 | **-** | - | **2,057** | 1,539 |
| Site G&A costs | **1,940** | 1,274 | **29** | 39 | **-** | - | **1,969** | 1,313 |
| E&E acquisition costs | **-** | 17,757 | **-** | 7 | **-** | - | **-** | 17,764 |
| Share-based payments | **-** | - | **-** | - | **196** | 19 | **196** | 19 |
| **Total E&E expenditures** | **$ 7,828** | $ 21,844 | **$ 122** | $ 421 | **$ 196** | $ 19 | **$ 8,146** | $ 22,284 |

## 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, 2021:

| | **30-Jun-2021** | **31-Mar-2021** | **31-Dec-2020** | **30-Sep-2020** |
|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - |
| Exploration and evaluation expenditures *(i)* | 4,276 | 3,870 | 2,007 | 937 |
| Other operating expenses *(i)* | 697 | 687 | 642 | 569 |
| Net loss | 5,347 | 4,701 | 2,173 | 1,924 |
| Net loss attributable to owners of Cordoba Minerals Corp. | 5,322 | 4,659 | 2,085 | 1,886 |
| Loss per share attributable to owners of Cordoba Minerals Corp. - basic and fully diluted *(ii)* | 0.09 | 0.08 | 0.04 | 0.04 |
| Total assets | 7,020 | 6,846 | 10,705 | 7,680 |
| Total liabilities | 1,981 | 1,647 | 1,215 | 648 |
| Shareholders' equity (deficit) | 5,039 | 5,199 | 9,490 | 7,032 |
| | **30-Jun-2020** | **31-Mar-2020** | **31-Dec-2019** | **30-Sep-2019** |
| Revenue | $ - | $ - | $ - | $ - |
| Exploration and evaluation expenditures *(i)* | 19,224 | 3,060 | 2,053 | 1,493 |
| Other operating expenses *(i)* | 698 | 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 *(ii)* | 0.53 | 0.10 | 0.08 | 0.10 |
| 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) |

*(i)* 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.

*(ii)* The loss per share amounts have been updated retrospectively to reflect the 17 for 1 Share Consolidation which became effective on February 9, 2021.

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 and evaluation programs, project acquisitions and administration. The Company is a mineral exploration and development company and does not currently generate operating revenue.

E&E increased in the quarter ended December 31, 2019, as the Company incurred E&E acquisition costs and prepared for its work program to accelerate development of Alacran. E&E increased in the quarter ended March 31, 2020 as the Company began the PFS required to secure the necessary Colombian mining approvals at Alacran. Those studies continued throughout most of the first quarter of 2020, until the COVID-19 related lockdown began in late March. As a result, direct exploration, indirect exploration and site G&A expenditures in the quarters ended June 30, 2020 and September 30, 2020 decreased significantly compared to the prior quarters, as desktop studies continued due to all employees and contractors working from home during this period. Overall, E&E expenditures increased significantly in the quarter ended June 30, 2020 due to the US$13 million ($17.76 million) of E&E acquisition costs relating to the Company's acquisition of the 100% interest in the Alacran Deposit. Exploration expenditures in the quarter ended December 31, 2020 increased as the Company recommenced fieldwork at the Alacran Deposit to continue advancement of the PFS, on November 30, 2020. In the quarter ended March 31, 2021, exploration expenditures increased significantly as fieldwork at San Matias was performed for the duration of the period, which comprised of significant amounts of fieldwork including geotechnical, hydrological, metallurgical and condemnation drilling, which supported the pre-feasibility studies. These types of expenditures continued in the quarter ended June 30, 2021, as the Company continued to progress with the Pre-Feasibility Study.

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 in the quarter ended June 30, 2021 remained relatively consistent with the prior quarter, largely due to the Company completing the Q2 Private Placement, which replenished the Company's treasury in June 2021. Total assets decreased in the quarter ended March 31, 2021 as the Company used its cash which it had raised in December 2020, to fund operating activities at San Matias and general working capital. The significant decrease due to funding of operating activities was partially offset as the Company closed the JCHX Tranche of the Q1 Private Placement, raising gross proceeds of $578,000. Total assets increased in the quarter ended December 31, 2020 as the Company closed the first tranche of the Q1 Private Placement for gross proceeds of $4.62 million. Total assets decreased in the quarter ended September 30, 2020, as the Company used its cash to settle the related party payable related to its acquisition of the Alacran Deposit on June 30, 2020. On June 30, 2020, as the Company acquired the Alacran Deposit, the non-current asset was expensed to E&E acquisition costs in accordance with Cordoba's accounting policy to expense acquisition costs, resulting in a decrease to total assets in the quarter ended June 30, 2020. The decrease was partially offset by the proceeds of a rights offering. The proceeds from the rights offering were used to make payments to the OMNI parties and acquire the 100% interest in Alacran, 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 5,374,855 (91,372,536 pre-Consolidation) common shares of Cordoba to JCHX through a private placement at $2.04 ($0.12 pre-Consolidation) per share, resulting in the receipt of gross proceeds of approximately $11.0 million. The Company then repaid the total amount owing on a promissory note to HPX of $3.62 million, which reduced total liabilities in the quarter ended March 31, 2020.

At September 30, 2019, the Company recorded a liability of $17.22 million and a corresponding non-current other asset related 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 acquire the 100% interest in Alacran. At December 31, 2019, the non-current other asset and liability related to the Alacran Deposit were revalued to $16.90 million.

Total liabilities increased in the quarters ended June 30 and March 31, 2021 as the Company incurred much more significant expenditure in the first half of 2021 compared to previous periods, as a result of the fieldwork supporting the PFS, and recognition of new lease liabilities. Liabilities decreased significantly in both the quarters ended September 30, 2020 and June 30, 2020, as the Company used the cash raised in the rights offering to settle its liabilities, including the option liability, to acquire the Alacran Deposit. Liabilities in the quarters ended September 30, and December 31, 2019 fluctuated due to drawdowns on a promissory note during these periods. During the quarter ended December 31, 2019, draw-downs on a 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.

**RESULTS OF OPERATIONS**

*(Tabular amounts are expressed in thousands of Canadian dollars)*

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| Exploration and evaluation expenditures | **$ 4,276** | $ 19,224 | **$ 8,146** | $ 22,284 |
| Corporate administration | **613** | 609 | **1,220** | 1,067 |
| Amortization | **84** | 89 | **164** | 184 |
| Other income | **(1)** | (98) | **(6)** | (119) |
| Interest expense | **10** | 38 | **16** | 73 |
| Foreign exchange loss (gain) | **365** | (19) | **508** | 161 |
| **Net loss for the period** | **$ 5,347** | $ 19,843 | **$ 10,048** | $ 23,650 |

For the three and six months ended June 30, 2021 and 2020, E&E expenditure comprises:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| Direct exploration costs | **$ 1,914** | $ 340 | **$ 3,924** | $ 1,649 |
| Indirect exploration costs | **1,083** | 533 | **2,057** | 1,539 |
| Site general and administration costs | **1,180** | 579 | **1,969** | 1,313 |
| E&E acquisition costs | **-** | 17,764 | **-** | 17,764 |
| Share-based payments | **99** | 8 | **196** | 19 |
| **Exploration and evaluation expenditures** | **$ 4,276** | $ 19,224 | **$ 8,146** | $ 22,284 |

**Second Quarter Results – Three months ended June 30, 2021 ("Q2 2021") compared to the three months ended June 30, 2020 ("Q2 2020")**

*Exploration and evaluation expenditures*

E&E expenditures in Q2 2021 decreased approximately $14.9 million compared to Q2 2020. The significant decrease largely relates to the $17.76 million in E&E acquisition costs relating to the fifth and final payment of the Option Agreement, to acquire the Alacran Deposit, which was expensed due to the Company's accounting policy to expense E&E acquisition costs. This decrease is offset by an increase to direct and indirect explorations costs, as well as site G&A costs, all of which increased significantly due to the ongoing PFS fieldwork in Colombia, which was largely on hold in the comparative period.

Direct exploration costs increased by approximately $1.6 million in Q2 2021 compared to Q2 2020. The increase primarily relates to an approximate $1.1 million increase in drilling and field related expenditures in Colombia as the Company continued fieldwork supporting the PFS, which is required to secure the necessary Colombian mining licence approvals at the Alacran Deposit. In Q2 2020 expenditures did not consist of drilling and fieldwork was limited in the period due to restrictions relating to COVID-19 that were put into place beginning in March 2020. The increase in direct exploration costs in Colombia were partially offset by an approximate $45,000 decrease at Perseverance. Direct exploration activity at Perseverance in both Q2 2021 and Q2 2020 was minimal.

Indirect exploration costs increased by approximately $550,000 in Q2 2021 compared to Q2 2020. Indirect exploration costs at Perseverance remained consistent with the comparative period, given the low levels of activity. Meanwhile, at San Matias, indirect exploration costs increased primarily due to the restart of work resulting in an increase of technical staff and consultants required to support the PFS. As a result, camp costs and security also increased due to the Company's increased presence at site. Additionally, the Company continued to incur environmental related studies and social related costs, which increased by approximately $286,000 in Q2 2021 as it related to the PFS, which was on hold due to COVID-19 in the comparative period of Q2 2020.

Site general and administration costs increased in Q2 2021 as compared to Q2 2020, increasing by approximately $601,000. Expenditure at Perseverance remained consistent with the comparative period, consisting largely of fees and expenses required to maintain the property in good standing. At San Matias, there was an increase to salaries and benefits of administrative staff as headcount was increased to support the restart of PFS fieldwork. The increased activity, including headcount, resulted in an increase to office overheads, as well as professional fees and travel expenses which were not incurred in the prior period as restrictions were in place due to COVID-19 in Q2 2020.

*Corporate administration*

Corporate administration expenditures in Q2 2021 remained consistent with Q2 2020. While overall expenditure was consistent, there was an increase in share based payments expense and office administration, which was offset by a decrease in professional fees and salaries and benefits. All other expenses remained relatively constant. The increase of $93,000 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 the underlying options, and the significant increase was attributed to the grant of stock options in November and December 2020. As a result of COVID-19 restrictions, travel expenses were $Nil, while slight increases were incurred relating to investor relations and compliance and regulatory in Q2 2021 compared to Q2 2020.

*Amortization*

In Q2 2021, the Company recorded $84,000 in amortization expense, a decrease of approximately $5,000 compared to Q2 2020. In Q2 2021, the Company de-recognized certain right-of-use ("ROU") assets upon expiry of the underlying lease agreements. The longer lease terms of the ROU assets in the current period contributes to the decrease in amortization expense in Q2 2021 compared to Q2 2020.

*Interest expense*

In Q2 2021, the Company recorded approximately $10,000 in interest expense compared to $38,000 in Q2 2020. Interest expense in Q2 2021 relates primarily to leases recorded under IFRS 16, while Q2 2020 includes interest on leases, as well as other accrued interest of $29,000, which was not incurred in Q2 2021.

*Foreign exchange*

Foreign exchange fluctuated from a $19,000 gain in Q2 2020 to a $365,000 loss in Q2 2021 due to differences in the movements of foreign exchange rates during the comparative periods.

**Year-To-Date Results – Six months ended June 30, 2021 ("YTD 2021") compared to the six months ended June 30, 2020 ("YTD 2020")**

E&E expenditures in YTD 2021 decreased approximately $14.1 million compared to YTD 2020. The significant decrease largely relates to the $17.76 million in E&E acquisition costs relating to the fifth and final payment of the Option Agreement, to acquire the Alacran Deposit, which was expensed due to the Company's accounting policy to expense E&E acquisition costs. All other E&E expenditures, such as direct and indirect explorations costs, G&A costs and share-based payments, increased in YTD 2021 compared to YTD 2020 as all of the ongoing PFS fieldwork in Colombia restarted in late 2020, and was largely on hold for the majority of the comparative period.

Direct exploration costs increased by approximately $2.3 million in YTD 2021 compared to YTD 2020. The increase primarily relates to an approximate $1.1 million increase in drilling, $360,000 increase in sampling/assaying and $780,000 in field related expenditures in Colombia as the Company restarted activities in late 2020, which carried on throughout YTD 2021 to support the PFS and PTO, which is required to secure the necessary Colombian mining licence approvals at the Alacran Deposit. In YTD 2020, only limited amounts of drilling and fieldwork were completed prior to COVID-19 related restrictions being put into place beginning in March 2020. The increase in direct exploration costs in Colombia were partially offset by an approximate $289,000 decrease at Perseverance as activity in YTD 2021 was minimal compared to YTD 2020 which consisted of the MT Survey.

Indirect exploration costs increased by approximately $518,000 in YTD 2021 compared to YTD 2020. Indirect exploration costs at Perseverance remained relatively consistent with the comparative period. The restart of work at San Matias in late 2020 resulted in an increase of technical staff and consultants required to support the PFS fieldwork and in-country operations. As a result, camp costs and security also increased due to the Company's increased presence at site. Additionally, the Company continued to incur environmental related studies to support the PFS, as well as social related costs, which increased by approximately $274,000 in YTD 2021 compared to YTD 2020, as studies were on hold due to COVID-19.

Site general and administration costs increased in YTD 2021 as compared to YTD 2020, increasing by approximately $656,000. Expenditure at Perseverance remained consistent with the comparative period, consisting largely of fees expenses required to maintain the property in good standing. At San Matias, there was an increase to salaries and benefits of administrative staff as headcount was increased to support the restart of PFS fieldwork. The increased activity, including headcount, resulted in an increase to office overheads, as well as professional fees and travel expenses which were not incurred in the prior period as restrictions were in place due to COVID-19 in YTD 2020.

*Corporate administration*

Corporate administration expenditures in YTD 2021 increased by approximately $153,000 compared to YTD 2020. There was an increase in share based payments expense and office administration, which was offset by a decrease in salaries and benefits. All other expenses remained relatively constant. The increase of $224,000 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, and the significant increase was attributed to the grant of stock options in November and December 2020. As a result of COVID-19 restrictions, travel expenses were $Nil, while slight increases were incurred relating to investor relations and compliance and regulatory in YTD 2021 compared to YTD 2020.

*Amortization*

In YTD 2021, the Company recorded $164,000 in amortization expense, a decrease of approximately $20,000 compared to YTD 2020. In YTD 2021, the Company de-recognized certain right-of-use ("ROU") assets upon expiry of the underlying lease agreements, and recognized new lease agreements as ROU assets. The longer lease terms of the ROU assets in the current period contributes to the decrease in amortization expense in YTD 2021 compared to YTD 2020.

*Interest expense*

In YTD 2021, the Company recorded approximately $16,000 in interest expense compared to $73,000 in YTD 2020. Interest expense in YTD 2021 relates primarily to leases recorded under IFRS 16, while YTD 2020 includes interest on leases, as well as interest accrued on short-term loans which were settled in the first quarter of 2020.

*Foreign exchange*

Foreign exchange fluctuated from a $161,000 loss in YTD 2020 to a $508,000 loss in YTD 2021 due to differences in the movements of foreign exchange rates during the comparative periods.

**FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

At June 30, 2021, the Company had cash and cash equivalents of approximately $1.72 million (December 31, 2020 - $5.48 million) to apply against short-term business requirements and current liabilities of $1.85 million (December 31, 2020 - $1.19 million).

The primary uses of cash during the six months ended June 30, 2021 were for funding operating activities of $9.00 million (June 30, 2020 - $16.19 million), primarily relating to the PFS fieldwork at Alacran.

On February 19, 2021, the Company closed the JCHX Tranche of the Q1 Private Placement for gross proceeds of $578,000. On April 12, 2021, the Company announced that HPX had exercised warrants with an exercise price of $1.275 per share for gross proceeds of $1.64 million. In June 2021, the Company closed the Q2 Private Placement, in two separate tranches, for gross proceeds of $3.36 million. The net proceeds of the private placements and exercise of warrants are being used to continue fieldwork supporting the advancement of the PFS at Alacran and for general working capital and corporate purposes.

At June 30, 2021, 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.

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 Ivanhoe Electric, the Company's controlling shareholder, for providing ongoing financing to the Company. Failure of Ivanhoe Electric to provide or participate in financing, or the inability of Ivanhoe Electric 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 globally has caused and continues to cause considerable disruptions to the world economy and could adversely impact the Company's ability to carry out plans to obtain additional financing. The ability to raise additional financing for future activities may be impaired, or such financing may not be available on favourable terms, due to conditions beyond the Company's control, such as uncertainty in the capital markets, depressed commodity prices or country risk factors. As such, there is material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern.

**OFF-BALANCE SHEET ARRANGEMENTS**

During the six months ended June 30, 2021, 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, 2020. 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, 2021.

### 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, and due to related parties approximate fair values due to their short-term nature.

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

| | | **June 30, 2021** | | December 31, 2020 |
|---|---|---|---|---|
| Financial assets | | | | |
| Financial assets measured at amortized cost | | | | |
| Cash and cash equivalents | **$** | **1,722** | $ | 5,477 |
| Other receivables | | **7** | | 11 |
| Deposits | | **598** | | 786 |
| Financial assets measured at FVTOCI | | | | |
| Investments | | **571** | | 971 |
| Total financial assets | **$** | **2,898** | $ | 7,245 |
| Financial liabilities measured at amortized cost | | | | |
| Accounts payable and accrued liabilities | **$** | **1,534** | $ | 972 |
| Due to related parties | | **158** | | 90 |
| Lease liability | | **289** | | 153 |
| Total financial liabilities | **$** | **1,981** | $ | 1,215 |

### 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, 2021 and 2020 with related parties consisting of directors, officers, Ivanhoe Electric, HPX, JCHX, Global Mining Management ("GMM"), Computational Geosciences Inc. ("CGI") and Vagon Capital S.A.S. These related party transactions, which are described below and under 'Private Placement' 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, 2021, the Company incurred $17,000 and $17,000 (June 30, 2020 - $48,000 and $99,000) in E&E expenditures and corporate administration expenditures with HPX. The costs 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, 2021, the Company charged HPX approximately $5,000 and $20,000 (June 30, 2020 - $23,000 and $46,000), relating to E&E salaries and expenses. HPX transferred the amounts owing to and from Cordoba as at April 30, 2021 to Ivanhoe Electric as part of their contribution agreement (see 'Overview of Business' section), and from this point forward, the expenditures are incurred with Ivanhoe Electric.

During the three and six months ended June 30, 2021, the Company incurred approximately $390,000 and $654,000 (June 30, 2020 - $238,000 and $514,000) in E&E and corporate administration expenditures with GMM, a private company based in Vancouver. Cordoba held 7.7% of GMM's common shares at June 30, 2021. 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, 2021, the Company incurred approximately $54,000 and $83,000 (June 30, 2020 - $41,000 and $59,000) in director's fees.

During the three and six months ended June 30, 2021, the Company incurred $Nil and $Nil (June 30, 2020 - $Nil and $50,000) in technical E&E expenditures provided by CGI, a private company based in Vancouver, Canada, which is also a member of the same Ivanhoe Electric group.

During the three and six months ended June 30, 2021, the Company incurred approximately $52,000 and $105,000 (June 30, 2020 - $54,000 and $84,000) 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.

*Deposits*

At June 30, 2021, the Company had a deposit of $80,000 (December 31, 2020 - $80,000) held by GMM. This deposit is recorded in prepaid expenses and deposits.

*Amounts due from / to related parties*

| | June 30, 2021 | December 31, 2020 |
|---|---|---|
| Due from related parties | | |
| Due from HPX *(i)* | **-** | 24 |
| **Total due from related parties** | **$ -** | $ 24 |
| Due to related parties | | |
| Due to GMM *(ii)* | **$ 87** | $ 72 |
| Due to Directors of the Company | **54** | 18 |
| Due to HPX *(i)* | **17** | - |
| **Total due to related parties** | **$ 158** | $ 90 |

*(i)* On April 30, 2021, the balance due to HPX was transferred to Ivanhoe Electric (see 'Overview of Business' section).

*(ii)* The payables and accrued liabilities owing to GMM are unsecured, non-interest-bearing and payable on demand.

*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, 2021, the lease liability for the vehicle was approximately $25,000 (December 31, 2020 - $29,000) with a remaining lease term of 41 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, 2021 | Three months ended June 30, 2020 | Six months ended June 30, 2021 | Six months ended June 30, 2020 |
|---|---|---|---|---|
| Salaries and benefits | **$ 181** | $ 132 | **$ 345** | $ 290 |
| Director fees | **54** | $ 41 | **83** | 59 |
| Share-based payments *(i)* | **126** | 123 | **234** | 137 |
| **Total key management compensation** | **$ 361** | $ 296 | **$ 662** | $ 486 |

*(i)* Share-based payments represent the fair value of deferred share units, restricted share units and share purchase options vesting during the reporting period. The fair value of the stock options is estimated on the date of the grant 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 12, 2021, the Company had the following issued and outstanding:

- 61,223,598 common shares.
- 62,085,724 share purchase warrants, which are exercisable to purchase a total of 4,078,424 common shares of the Company at an exercise price of $1.955 per share.
- 1,530,884 stock options with a weighted average exercise price of $2.75. Each stock option is exercisable to purchase one common share of the Company at prices ranging from $1.11 to $14.45.
- 384,064 restricted share units.
- 214,731 deferred 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 not adopted any new amendments to IFRS in the current period.

## 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 IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* (effective January 1, 2022) clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both the incremental costs and an allocation of other costs that relate directly to fulfilling the contract. The amendments apply to contracts existing at the date when the amendments are first applied. 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.

Amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* (effective January 1, 2023) provide guidance to assist entities in distinguishing between policies and accounting estimates. The amendments replace the definition of a change in accounting estimates with the definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The amendments are effective for annual periods beginning on or after January 1, 2023. Management is currently assessing the impact of this amendment.

**NON-GAAP MEASURES**

Alternative performance measures in this document such as “cash cost” are furnished to provide additional information. These non-GAAP performance measures are included in this MD&A because these statistics are used as key performance measures that management uses to assess the San Matias Project. These performance measures do not have a standard meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

**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 “Risks and Uncertainties” section of the Company’s MD&A for the year ended December 31, 2020, prior to making any investment in the Company’s common shares. The risks disclosed in the “Risks and Uncertainties” section of the Company’s MD&A for the year ended December 31, 2020 do not necessarily comprise all of the risks faced by the Company. Additional risks not currently known to the Company, or that the Company currently considers immaterial, may also adversely affect the Company’s business, result of operations, financial results, prospects and price of common shares.