



## **Cordoba Minerals and High Power Exploration to Consolidate the San Matias Project to Create a Leading Copper-Gold Company in Colombia**

### **Cordoba Announces Concurrent Bought Deal Equity Financing**

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**TORONTO, CANADA, June 13, 2017:** Cordoba Minerals Corp. ("**Cordoba**" or the "**Company**") (TSX-V: CDB) is pleased to announce that it has entered into a definitive agreement (the "**Agreement**") with High Power Exploration Inc. ("**HPX**"), whereby Cordoba will acquire (the "**Transaction**") HPX's 51% interest in the San Matias Joint Venture ("**San Matias**") through the acquisition of HPX Colombia Ventures Ltd. ("**Ventures**"), a wholly-owned subsidiary of HPX, for consideration of 92,681,290 Cordoba common shares (the "**Consideration**").

In connection with the Transaction, Cordoba has entered into an agreement with BMO Capital Markets, acting as bookrunner on behalf of a syndicate of underwriters (collectively, the "**Underwriters**"), pursuant to which the Underwriters have agreed to purchase for resale, on a bought deal private placement basis, 12,346,000 subscription receipts (the "**Subscription Receipts**") of Cordoba at a price of C\$0.81 per Subscription Receipt for gross proceeds to Cordoba of approximately C\$10 million (the "**Concurrent Financing**"). The net proceeds of the Concurrent Financing will be used to fund exploration expenditures at San Matias, to repay up to C\$1.5 million of HPX expenditures that are not being converted into Units, and for general corporate purposes.

### **Transaction and Concurrent Financing Rationale**

- Cordoba to become the operator and 100% owner of the highly prospective San Matias copper-gold project in Colombia;
- Transaction allows Cordoba and HPX to simplify the current investment and shareholding structure to unlock value;
- Transaction is neutral for HPX from the perspective of its current San Matias ownership – HPX will exchange its current ~69% controlling economic interest in San Matias (consisting of a 51% direct stake in San Matias and a 36% ownership interest in Cordoba) for a ~69% ownership interest in Cordoba (pre-financing);
- Concurrent Financing will broaden Cordoba's shareholder investor base, fund Cordoba's work program for the next 12 months, and result in a pro forma ownership interest of approximately 67% for HPX;
- Increased market capitalization and improved capital markets profile is expected to enhance Cordoba's trading activity and liquidity; and

- Cordoba to benefit from the continued support of Robert Friedland, and from HPX as the controlling shareholder.

Mario Stifano, President and Chief Executive Officer of Cordoba stated, “The consolidation of San Matias is a unique opportunity for Cordoba shareholders as it positions the Company favorably to continue advancing the highly prospective San Matias district as the 100% owner of the project, rather than as a minority joint-venture partner. We believe this transaction has the potential to unlock significant value for shareholders both in the near-term and longer term.”

Robert Friedland, Co-Chair and Chief Executive Officer of HPX, added, “We are delighted to strengthen our ongoing partnership with Cordoba as the company embarks on realizing the promise of the San Matias Copper Gold Project for all stakeholders. We see tremendous mineral potential in Colombia, and Cordoba now is better positioned to explore its extensive land package and to acquire additional prospective projects in Colombia in keeping with its goal of becoming the leading copper-gold exploration company in the country.”

### **Transaction Overview**

The Consideration will be paid to HPX on closing of the Transaction and will consist of the issuance by Cordoba of 92,681,290 Cordoba common shares, such that HPX will convert its existing 51% direct economic interest in San Matias to a 51% direct economic interest in Cordoba. Combined with HPX’s existing 36% ownership interest in Cordoba, HPX will hold a combined 69% ownership interest in Cordoba prior to the Concurrent Financing. In addition, Cordoba will issue 12,364,623 Units (as defined below) to HPX at a deemed price of C\$0.81 per Unit, that being the same price as the Concurrent Financing, to compensate HPX for approximately C\$10 million of HPX joint venture expenditures incurred by HPX in connection with the San Matias property since November 10, 2016, when HPX earned a 51% interest in San Matias.

Cordoba’s board of directors (the “**Board**”), with certain interested directors abstaining, has unanimously approved the Transaction and recommends that Cordoba shareholders vote in favor of the Transaction. All of the directors and officers of Cordoba who are not interested in the Transaction or related to HPX, who own approximately 2.1% of Cordoba’s issued and outstanding shares, have agreed, among other things, to support the Transaction and vote their Cordoba shares in favor of the Transaction.

As required by the TSX Venture Exchange (the “**TSX-V**”) and Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, Cordoba will seek minority shareholder approval of the Transaction, including the issuance of the Cordoba common shares and Units in connection with the Transaction. Further information regarding the Transaction will be contained in a management information circular that Cordoba will prepare and file in due course in connection with an annual and special meeting of Cordoba shareholders, which is expected to be held in July, 2017. Closing of the Transaction is expected to occur shortly thereafter.

The Board, with interested directors abstaining, based in part on the recommendation of the Special Committee (as defined below), has unanimously determined that the proposed Transaction is fair and in the best interests of the Company and will recommend that disinterested shareholders vote in favor of resolutions supporting the Transaction.

Copies of the Agreement, which includes the form of Investment Agreement (as defined below), and the form of support agreement, and certain related documents will be filed with securities regulators and will be available under Cordoba's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Investment Agreement**

Upon closing of the Transaction, subject to certain conditions set out in an investment agreement (the "**Investment Agreement**") to be entered into between Cordoba and HPX, HPX will have certain Cordoba board nomination rights (described below) and the right to participate in any future equity offerings completed by Cordoba in order to maintain its pro rata ownership in Cordoba.

Following completion of the Transaction, the Board is to be comprised of seven directors with HPX being entitled to nominate four of those directors, with at least one of such nominees being independent. The Investment Agreement provides for HPX's nominees to the Board to be reduced to less than a majority of the directors if HPX's ownership interest in Cordoba is diluted to below 50%, with further proportional reductions thereafter.

HPX has also agreed to not sell or transfer any of the Consideration or the securities comprising its Units for a period of at least 180 days following the closing of the Transaction.

HPX's entitlements under the Investment Agreement will remain in place as long as HPX's ownership interest in Cordoba remains at or above 10% of the issued and outstanding shares of Cordoba.

### **Concurrent Financing**

In connection with the Transaction, Cordoba has entered into an agreement with BMO Capital Markets, acting as bookrunner on behalf of the Underwriters, to complete the Concurrent Financing.

The gross proceeds from the Concurrent Financing, less the expenses of the Underwriters, will be deposited and held in escrow and shall be released immediately prior to the completion of the Transaction upon the satisfaction of certain conditions (the "**Release Conditions**") or upon the termination of the Agreement.

Each Subscription Receipt will entitle the holder thereof to receive one unit (a "**Unit**"), with each Unit consisting of one Cordoba common share and one-half of one Cordoba common share purchase warrant (each whole common share purchase warrant, a "**Warrant**") for no additional consideration or further action on the part of the holder thereof upon satisfaction of the Release Conditions. Each Warrant will entitle the holder thereof to acquire one Cordoba common share at an exercise price of C\$1.08 for a period of 24 months from the closing of the Concurrent Financing.

If the Release Conditions are not satisfied prior to September 29, 2017, or the Agreement is terminated pursuant to its terms, the escrow agent will return to the holders of the Subscription Receipts an amount equal to the aggregate purchase price paid for the Subscription Receipts held by them, together with a pro rata portion of interest earned on the escrowed proceeds and the Subscription Receipts will be cancelled and be of no further force or effect.

The Subscription Receipts will be distributed by way of a private placement in each of the provinces and territories of Canada and may also be sold in the United States pursuant to applicable exemptions.

The Company has also granted the Underwriters an option, exercisable until 48 hours prior to the closing date of the Concurrent Financing, to purchase at the offering price up to an additional C\$3 million of the Subscription Receipts purchased in the Concurrent Financing.

Closing of the Concurrent Financing into escrow is expected to occur on or about July 11, 2017 and is subject to certain conditions, including the receipt of all necessary regulatory and stock exchange approvals, including approval of the TSX-V.

### **Conference Call**

Cordoba will host a conference call on Wednesday, June 14, 2017 at 1:00 pm EDT to discuss the details of the Transaction.

The telephone numbers for the conference are toll-free 1-800-319-7310 and 416-915-3227 and the Guest Code is 25381#.

### **Advisors**

The Board appointed a committee of independent directors (the “**Special Committee**”) to review and assess the Transaction. Haywood Securities Inc. (“**Haywood**”) is acting as a financial advisor to the Special Committee. Haywood has provided the Special Committee with an opinion, subject to the assumptions and limitations contained therein, that the consideration to be paid by Cordoba pursuant to the Transaction is fair, from a financial point of view, to Cordoba. Cassels Brock & Blackwell LLP was retained as legal advisor to the Company and the Special Committee. Stikeman Elliott LLP acts for HPX.

### **About Cordoba Minerals:**

Cordoba Minerals Corp. is a Toronto-based mineral exploration company focused on the exploration and acquisition of copper and gold projects in Colombia. Cordoba has a joint venture with High Power Exploration on the highly prospective, district-scale San Matias Copper-Gold Project located at sea level with excellent infrastructure and near operating open-pit mines in the Department of Cordoba. For further information, please visit [www.cordobaminerals.com](http://www.cordobaminerals.com).

### **About High Power Exploration (HPX):**

HPX is a privately owned, metals-focused exploration company deploying proprietary in-house geophysical technologies to rapidly evaluate buried geophysical targets. The HPX technology cluster comprises geological and geophysical systems for targeting, modelling, survey optimization, acquisition, processing and interpretation. HPX has a highly experienced board and management team led by Co-Chairman and Chief Executive Officer Robert Friedland, President Eric Finlayson, a former head of exploration at Rio Tinto, and co-chaired by Ian Cockerill, a former Chief Executive Officer of Gold Fields Ltd. For further information, please visit [www.hpxploration.com](http://www.hpxploration.com).

## ON BEHALF OF THE COMPANY

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### *Forward-Looking Statements*

*This news release includes certain “forward-looking information” within the meaning of Canadian securities legislation. Forward-looking statements include predictions, projections and forecasts and are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “forecast”, “expect”, “potential”, “project”, “target”, “schedule”, “budget” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions and includes the negatives thereof. All statements other than statements of historical fact included in this release, including, without limitation, statements regarding the Transaction, including the Concurrent Financing, and with respect to the closing, costs and benefits of the Transaction and the Concurrent Financing are forward-looking statements that involve various risks and uncertainties. The timing and completion of the Transaction and the Concurrent Financing are subject to customary closing conditions and other risks and uncertainties including, without limitation, required regulatory and shareholder approvals. Accordingly, there can be no assurance that the Transaction and the Concurrent Financing will occur on the timetable or on the terms and conditions contemplated in this news release. The Transaction could be modified, restructured or terminated. Forward-looking statements are based on information available at the time they are made, underlying estimates and assumptions made by management and management’s good faith belief with respect to future events, performance and results, and are subject to inherent risks and uncertainties surrounding future expectations generally, which could cause actual results to differ materially from what is currently expected. Such risks and uncertainties include, but are not limited to, changes in project parameters as plans continue to be refined, future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, uninsured risks, regulatory changes, delays or inability to receive required approvals, and other exploration or other risks detailed herein and from time to time in the filings made by the Company with securities regulators. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ from those described in forward-looking statements, there may be other factors that cause such actions, events or results to differ materially from those anticipated. There can be no assurance that forward-looking statements will prove to be accurate and accordingly readers are cautioned not to place undue reliance on forward-looking statements which speak only as of the date of this news release. The Company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

*Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.*