



(the “Company”)

MANAGEMENT’S DISCUSSION AND ANALYSIS
For the year ended December 31, 2017

GENERAL

This Management’s Discussion and Analysis (“MD&A”) supplements, but does not form part of, the audited consolidated financial statements of the Company for the year ended December 31, 2017. The following information, prepared as of March 13, 2018, should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2017. 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.

FORWARD LOOKING STATEMENTS

This MD&A may contain “forward-looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “will”, “may”, “should”, “estimate”, “intend”, “expect”, “anticipate” and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance.

Forward-looking statements are statements that are not historical facts and include but are not limited to:

- a) Estimates and their underlying assumptions;
- b) Statements regarding plans, objectives and expectations with respect to the effectiveness of the Company’s business model, future operations, the impact of regulatory initiatives on the Company’s operations and market opportunities;
- c) General industry and macroeconomic growth rates;
- d) Expectations related to possible joint or strategic ventures; and
- e) Statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

DESCRIPTION OF BUSINESS

Cordoba Minerals Corp. (the “Company” or “Cordoba”) is a Canadian-based exploration and development company with exploration projects in Colombia. The principal business of the Company is the acquisition, exploration and development of precious and base metal properties.

The Company’s San Matias copper-gold project (the “San Matias Project” or “San Matias”) is located in the Municipality of Puerto Libertador, in the Department of Cordoba, Colombia. The project comprises a 20,000-hectare land package on the interpreted northern extension of the richly-endowed Mid Cauca Belt underlain by volcano-sedimentary rocks that are intruded by multiple dioritic intrusives with the potential to host porphyry copper-gold deposits.

The San Matias project contains several known areas of porphyry copper-gold, iron oxide copper-gold (“IOCG”), carbonate replacement, and gold vein mineralization. Porphyry mineralization at the San Matias project includes high-grade zones of copper-gold mineralization hosted by diorite porphyries containing secondary biotite alteration and various orientations of sheeted and stockwork quartz-magnetite veins with chalcopyrite and bornite.

The Alacran copper-gold project is located within the San Matias copper-gold project in the Department of Cordoba, Colombia, 200 kilometres north of Medellin. The Alacran project is located on a topographic high in gently rolling countryside, optimal for potential open-pit mining. Site access and infrastructure are considered to be favourable. The updated, conceptual pit-constrained, Mineral Resource for the Alacran Deposit includes 36.1 million tonnes of Indicated Resources grading 0.57% copper and 0.26 g/t gold (0.72% copper equivalent; “CuEq”), and 31.8 million tonnes of Inferred Resources grading 0.52% copper and 0.24 g/t gold (0.65% CuEq) at a 0.28% CuEq cut-off (see news release dated February 26, 2018).

The copper-gold mineralization at Alacran is associated with stratabound replacement of a faulted calcareous marine volcano-sedimentary sequence. The deposit comprises moderately- to steeply-dipping stratigraphy that is mineralized as a series of sub-parallel replacement-style zones and associated disseminations. The mineralization comprises multiple overprinting hydrothermal events, and the main mineralizing phase comprises chalcopyrite-pyrrhotite-pyrite that appears to overprint an early magnetite metasomatic event.

Alacran is approximately two kilometres southwest of the Company’s Montiel porphyry copper-gold discovery, where drilling intersected 1.0% copper and 0.65 g/t gold over 101.1 metres (previously reported in DDH-004), and two kilometres northwest of the Costa Azul porphyry copper-gold discovery, where drilling intersected 0.62% copper and 0.51 g/t gold over 86.6 metres (previously reported in CADDH003).

CORPORATE UPDATE

Consolidation of the San Matias Project

On July 31, 2017, the Company completed the acquisition (the “Transaction”) of High Power Exploration Inc.’s (“HPX”) 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”).

Transaction Overview

The Consideration paid to HPX on closing of the Transaction consisted of the issuance by Cordoba of 92,681,290 Cordoba common shares, such that HPX converted 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 now holds a combined 67% ownership interest in Cordoba after the Concurrent Financing. In addition, Cordoba issued 12,364,623 Units, with each Unit consisting of one Cordoba common share and one-half of one Cordoba common share purchase warrant to HPX at a deemed price of \$0.81 per Unit, that being the same price as the Offering (as described below), to compensate HPX for approximately \$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.

Concurrent Financing

On July 11, 2017, the Company completed a bought deal private placement offering (the "Offering") of 12,346,000 subscription receipts (the "Subscription Receipts"). BMO Capital Markets acted as the lead underwriter for a syndicate of underwriters including Sprott Private Wealth LP and Haywood Securities Inc. Each Subscription Receipt was sold at a price of \$0.81, for aggregate gross proceeds of approximately \$10 million, and entitled the holder thereof to receive one common share in the capital of the Company (each, a "Common Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") upon closing of the Transaction. Each Warrant will be exercisable to acquire one common share of the Company (each, a "Warrant Share") at a price of \$1.08 per Warrant Share, until July 11, 2019, subject to adjustment in certain events.

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.

Alacran Option Agreement Update

On January 23, 2018, Cordoba entered into an Amendment Agreement to the Option Agreement between Cordoba Minerals, Minerales Cordoba S.A.S., Sociedad Ordinaria de Minas Omni ("OMNI"), Compañía Minera El Alacran S.A.S., CMH Colombia S.A.S., Cobre Minerales, and Exploradora Cordoba S.A.S. dated February 27, 2016, to extend the exploration period pursuant to the Option Agreement by two years in order to file a larger mine plan with a capacity of more than 2.0 million tons per year with the National Mining Agency of Colombia. In accordance with the Amendment Agreement, Cordoba will file the request for the requisite approvals to conduct activities of construction and commercial production at El Alacran on or before June 30, 2020.

Additionally, the total option payment remains set at \$14.0 million, and Cordoba will make an advance payment of \$1.0 million to OMNI on February 27, 2019 and the remaining \$13.0 million will be payable on June 30, 2020.

Short Term Loan

On February 26, 2018, Cordoba has arranged for a short term loan of \$1 million from HPX bearing interest of 10% per annum, which will be used to make an option payment to OMNI and for general working capital purposes.

Changes in Management

On August 21, 2017, the Company announced the appointment of Mark Gibson as Chief Operating Officer and Eugenio Espada as Vice President, Exploration.

Mark Gibson, a geoscientist, was the founding executive in 2011 of HPX, a private mineral exploration company indirectly controlled by mining entrepreneur Robert Friedland's Ivanhoe Industries, LLC. Before joining HPX, Mr. Gibson worked with Anglo American, and was the founder of a geophysical service company focused on managing seismic surveys for the mining industry. He has more than 27 years of wide-ranging experience as a geoscientist and manager in the natural resources sector.

Mr. Espada replaced Chris Grainger as the Company's Vice President, Exploration. Mr. Grainger will remain with the Company as a consultant.

On November 20, 2017, the Company announced the appointment of Evan Young as Director, Investor Relations. Mr. Young now serves as a key point of contact for Cordoba and coordinates the Company's investor relations activities.

Mr. Young has significant experience in investor relations and the capital markets, having most recently served as Director, Investor Relations for Primero Mining Corp. Prior to this, he worked in equity research at Haywood Securities Inc. Mr. Young has a Master of Science with Distinction and a Diploma of the Imperial College (DIC) in Metals and Energy Finance from Imperial College London, and a Bachelor of Science in Mining Engineering from Queen's University. Mr. Young concurrently serves as Director, Investor Relations (North America) for Clean TeQ Holdings Limited (ASX:CLQ, TSX:CLQ).

On January 15, 2018, the Company announced the resignation of Mr. David Reading from its Board of Directors due to the recently increased demands of his other professional commitments. Mr. Reading has served as a Director of the Company since 2014.

On February 26, 2018, the Company announced that with the conclusion of the 2017 exploration program at Alacran and the completion of the updated Mineral Resource estimate, Eugenio Espada, Vice President, Exploration has stepped down from his position with the Company.

EXPLORATION UPDATE

Updated Mineral Resource

On February 26, 2018, the Company announced an updated Mineral Resource estimate for the Alacran Deposit, located within the 100%-owned San Matias copper-gold project in Colombia.

Highlights

- The updated, conceptual pit-constrained, Mineral Resource for the Alacran Deposit includes 36.1 million tonnes of Indicated Resources grading 0.57% copper and 0.26 g/t gold (0.72% CuEq), and 31.8 million tonnes of Inferred Resources grading 0.52% copper and 0.24 g/t gold (0.65% CuEq) at a 0.28% CuEq cut-off.

- Indicated Resources contain 454 million pounds of copper and 300,000 ounces of gold, and Inferred Resources contain 365 million pounds of copper and 250,000 ounces of gold.
- The Alacran Deposit is expected to have low capital intensity given the highly favourable 1.17:1 strip ratio of the conceptual pit-constrained resource. This is due to the geometry of the deposit and its location along a ridgeline.
- High-grade diamond drill intercepts associated with carbonate-base metal (“CBM”) veins, which have been identified over 600 metres of strike length, were excluded from the geological model, but the sample values were retained and capped in the resource calculation. Specific high-grade intercepts, such as 4,440 g/t gold, 10.25% copper, 347 g/t silver, and 24.70% zinc over 0.9 metres in ACD036 (previously reported January 23, 2017), have been capped at 1% copper and 2 g/t gold in the updated resource estimate.
- Additional drilling to the northwest and down-dip will follow-up on high-grade copper and gold mineralization and will further target the potentially significant high-grade cobalt discovery of 1.13% cobalt over 1.3 metres in a new epithermal vein (ACD070; previously reported December 5, 2017). Drilling will also target copper and gold mineralization to the south that was not included in the pit-constrained resource.
- The Alacran north-south structural corridor has been mapped over 3 kilometres south of Alacran with similar host stratigraphy and new copper mineralization identified.

Table 1: Alacran Mineral Resource estimate as at February 20, 2018

Classification	CuEq Cut-Off (%)	Tonnage (Mt)	Grades			Contained Metals	
			CuEq (%)	Copper (%)	Gold (g/t)	Copper (Mlb)	Gold (koz)
Indicated	0.28	36.1	0.72	0.57	0.26	454	300
Inferred	0.28	31.8	0.65	0.52	0.24	365	250

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
2. The Mineral Resources in this estimate were independently prepared by Peter Oshust, P.Geo. of Amec Foster Wheeler Americas Limited, following the Definition Standards for Mineral Resources and Mineral Reserves Prepared by the CIM Standing Committee on Reserve Definitions, adopted by CIM Council on May 10, 2014.
3. The Mineral Resources in this estimate are constrained within a conceptual pit shell developed using Whittle™ software. Assumptions used to prepare the conceptual pit include:
 - Metal prices of US\$3.15/lb copper and US\$1,400/oz gold;
 - Mining cost of US\$2.00/t mined;
 - Processing cost of US\$12/t milled;
 - G&A costs of US\$1.25/t milled;
 - 100% mining recovery, 0% dilution, and 45° pit slope;
 - Process recoveries of 90% for copper grades greater than 0.4%, 75% for copper grades less 0.4%, and 70% for gold;
 - Freight and treatment costs of US\$162/t concentrate;
 - Payable metal factors of 96% for copper and 95% for gold;
 - Refining charges of US\$0.085/lb copper and US\$5.50/oz gold.
4. Copper equivalent has been calculated using: copper grade (%) plus 0.504 x gold grade (g/t) for copper grades greater than 0.4%, and copper grade (%) plus 0.605 x gold grade (g/t) for copper grades less than 0.4%.

5. *The cut-off grade of 0.28% CuEq is a marginal cut-off sufficient to cover US\$12.00/t processing costs and \$1.25/t G&A costs.*

Cordoba has been successful in upgrading 36.1 million tonnes of Mineral Resources into the Indicated Resources category. This compares to the previous Alacran Mineral Resource estimate (refer to Cordoba's news release dated January 5, 2017) that only contained Inferred Resources. There still remains 31.8 million tonnes classified as Inferred Resources in the updated estimate.

CBM veins intersected by drilling and associated with very high-grade gold mineralization were excluded from the current geological model, but the sample values were retained and capped in the resource calculation, due to the low resolution of the drill hole spacing relative to the narrow veins. Further investigation into these features may allow for better local prediction of gold grades within the deposit.

The Alacran north-south structural corridor has been mapped over 3 kilometres south of Alacran with similar host stratigraphy and new copper mineralization identified.

There is evidence of many structural offsets of marker horizons from minor to significant on a deposit scale. Three faults were identified and modelled for the updated resource estimate. The most dominant structure is the Faul3_NEE fault which marks the boundary between the north and south areas of the Alacran Deposit. The north area was previously referred to as Mina Norte and the south as Mina Sur in earlier reports.

The process recovery assumptions used in the resource modelling were based on the results of metallurgical recovery test work of two composites with grades greater than 1.0% copper. Current metallurgical test work has not been completed to support the impact of grade variability on metallurgical recovery.

Rock Quality Designation ("RQD") measurements were collected from drill core during logging, but a detailed geotechnical analysis has not been completed to support the current pit slope assumptions.

Mineral Resource Estimation Methodology

The updated Mineral Resource estimate for the Alacran Deposit has been prepared by Amec Foster Wheeler Americas Limited ("AMEC"). The updated Mineral Resource estimate is based on geology and assay data from 136 diamond drill holes totalling 35,900 metres completed by Cordoba and previous operators between 2012 and 2017. Assay data is available for 130 of the completed holes. The cut-off date for drill hole information was December 15, 2017.

A 5x10x5 metre block size was chosen for the resource block model to reflect mining selectivity for a potential 12,750 tonne per day mining scenario. The resource block model was sub-blocked to 2.5x5.0x2.5 metre blocks to maintain geological resolution. The block grade model was flagged for lithological and structural domains from wireframes from the geological model.

Inverse Distance to the third power ("ID3") was used for high-grade copper and gold indicator probability modelling and block grade estimation. Ordinary Kriging ("OK") was used for Specific Gravity ("SG") indicator probability modeling, and OK and Simple Kriging ("SK") was used for SG estimation. SK was used for the final estimation pass for density. The average density for each estimation domain was used as the SK stationary mean.

For a detailed discussion of the Mineral Resource estimation methodology refer to the National Instrument 43-101 compliant technical report expected to be filed on www.sedar.com.

Cut-Off Grade Sensitivity

Indicated and Inferred Mineral Resources have been calculated at various copper equivalent cut-off grades to demonstrate the sensitivity of tonnage and grades. The reporting base case of 0.28% CuEq is highlighted.

Table 2: Alacran Mineral Resource Cut-Off Grade Sensitivity

Classification	CuEq Cut-Off (%)	Tonnage (Mt)	Grades			Contained Metals	
			CuEq (%)	Copper (%)	Gold (g/t)	Copper (Mlb)	Gold (koz)
Indicated	0.20	42.5	0.64	0.51	0.24	478	330
	0.22	40.9	0.66	0.53	0.24	478	320
	0.24	39.3	0.68	0.54	0.25	467	320
	0.26	37.7	0.70	0.56	0.26	465	310
	0.28	36.1	0.72	0.57	0.26	454	300
	0.30	34.6	0.73	0.59	0.27	450	300
	0.32	33.0	0.75	0.61	0.28	444	300
	0.35	30.9	0.78	0.63	0.29	429	290
	0.40	27.6	0.83	0.67	0.31	407	270
Inferred	0.20	41.2	0.56	0.44	0.21	400	280
	0.22	38.7	0.58	0.46	0.22	392	270
	0.24	36.3	0.60	0.48	0.23	384	270
	0.26	34.0	0.63	0.50	0.23	375	250
	0.28	31.8	0.65	0.52	0.24	365	250
	0.30	29.9	0.68	0.54	0.25	356	240
	0.32	28.1	0.70	0.56	0.26	346	230
	0.35	25.6	0.73	0.59	0.27	333	220
	0.40	22.0	0.79	0.64	0.29	310	210

San Matias Regional Exploration

Cordoba has resumed district-scale exploration for additional porphyry and IOCG systems in the San Matias district and along its potential extensions. Current exploration targets include combinations of geochemical and geophysical anomalies in favourable structural-lithological settings.

In addition to the Company's 20,000-hectare land-package at San Matias, Cordoba holds an additional 34,342 hectares of mining concessions and exploration licenses covering the outcropping portion of the Cretaceous-age magmatic arc to the west, east and south of the San Matias district. Only a small portion of this prospective regional geology has been mapped and/or covered by geochemical and geophysical surveys. The Company believes the geological potential of these areas is high.

Qualified Person: The Mineral Resources in this estimate were independently prepared by Peter Oshust, P.Geo of AMEC. Greg Kulla, P.Geo, also an employee of AMEC, verified the drill hole database supporting the Mineral Resource estimation. Verification included a site visit to inspect drilling, logging, density measurement, and sampling procedures, and a review of the control sample results used to assess laboratory assay quality. In addition, a random selection of the drill hole database results was compared with original records.

The technical information contained has been reviewed and verified by Dale A. Sketchley, M.Sc., P.Geo., a Qualified Person for the purpose of National Instrument 43-101. Mr. Sketchley is a consultant to Cordoba Minerals and is considered independent under National Instrument 43-101. Mr. Sketchley is a geologist with over 40 years in the mineral exploration, mining, and consulting industry. He is a Member of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC) and the Canadian Institute of Mining and Metallurgy (CIMM).

Figure 1: Satellite Photo of the Alacran Deposit Area with Drill Hole Locations and Traces

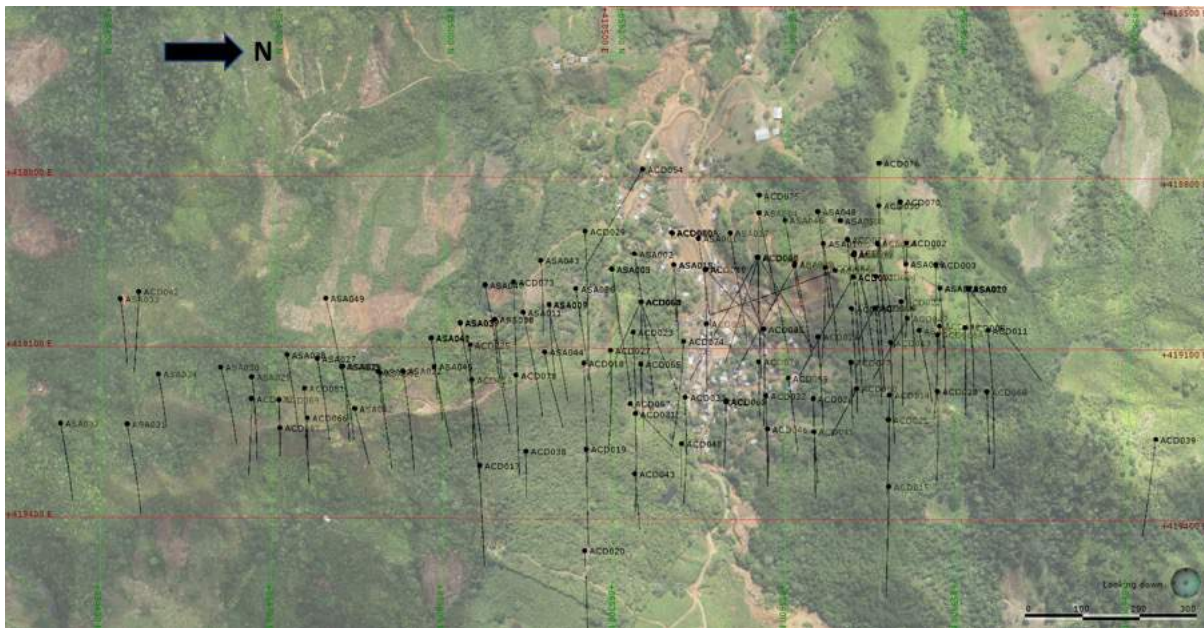


Figure 2: 3D Leapfrog Geological Model

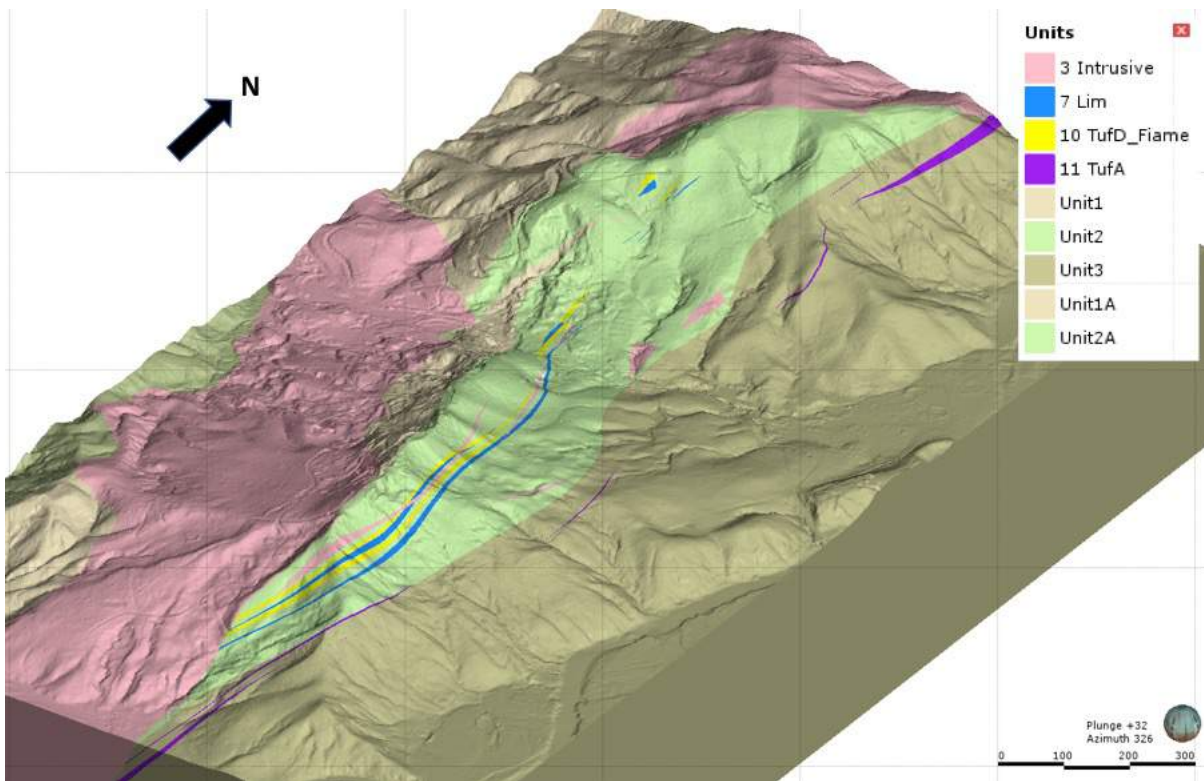


Figure 3: CuEq Block Grade Model Map at 102.5 RL \pm 7.5 m

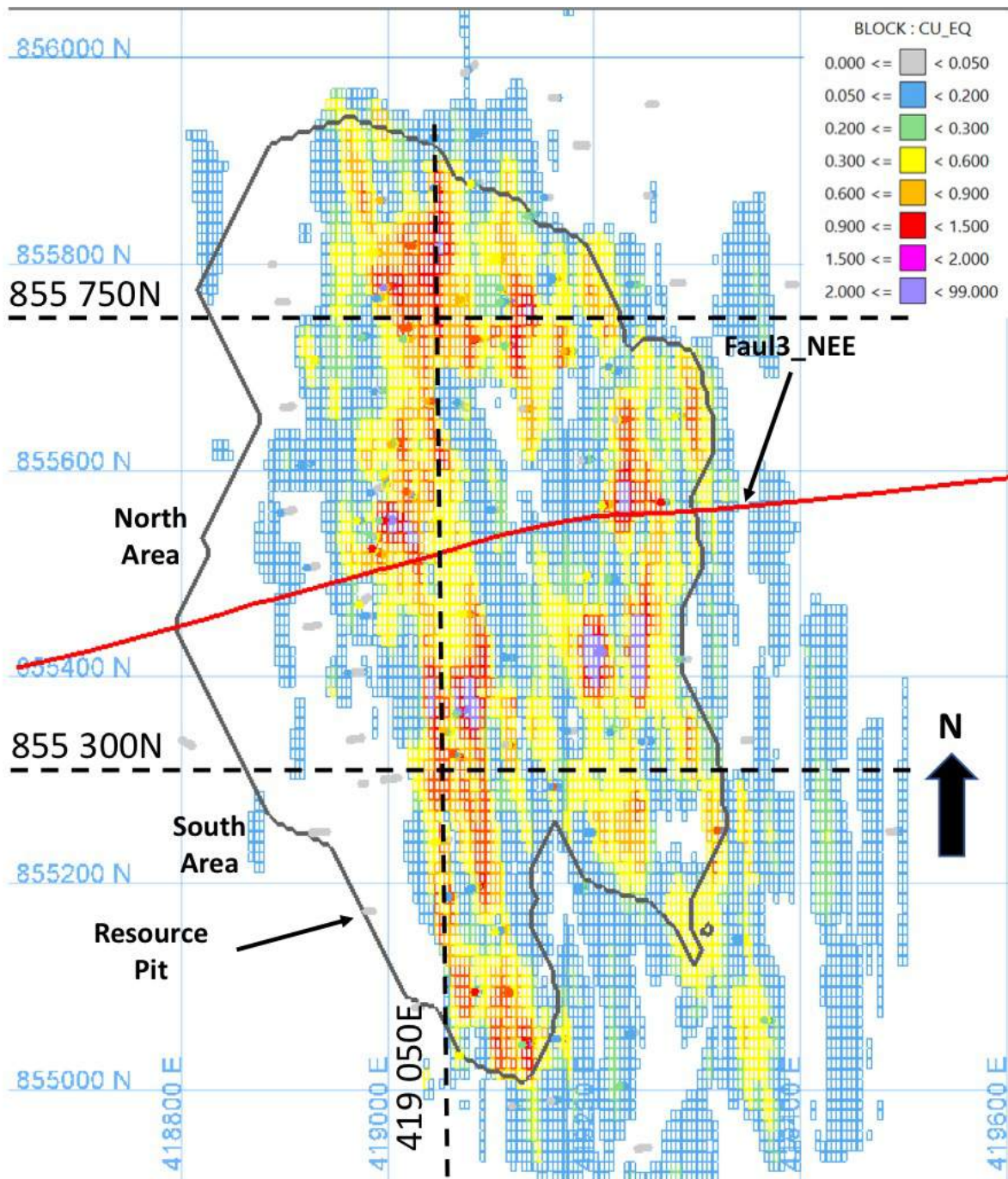


Figure 4: CuEq Block Grade Map at 855 750 N ± 25 m

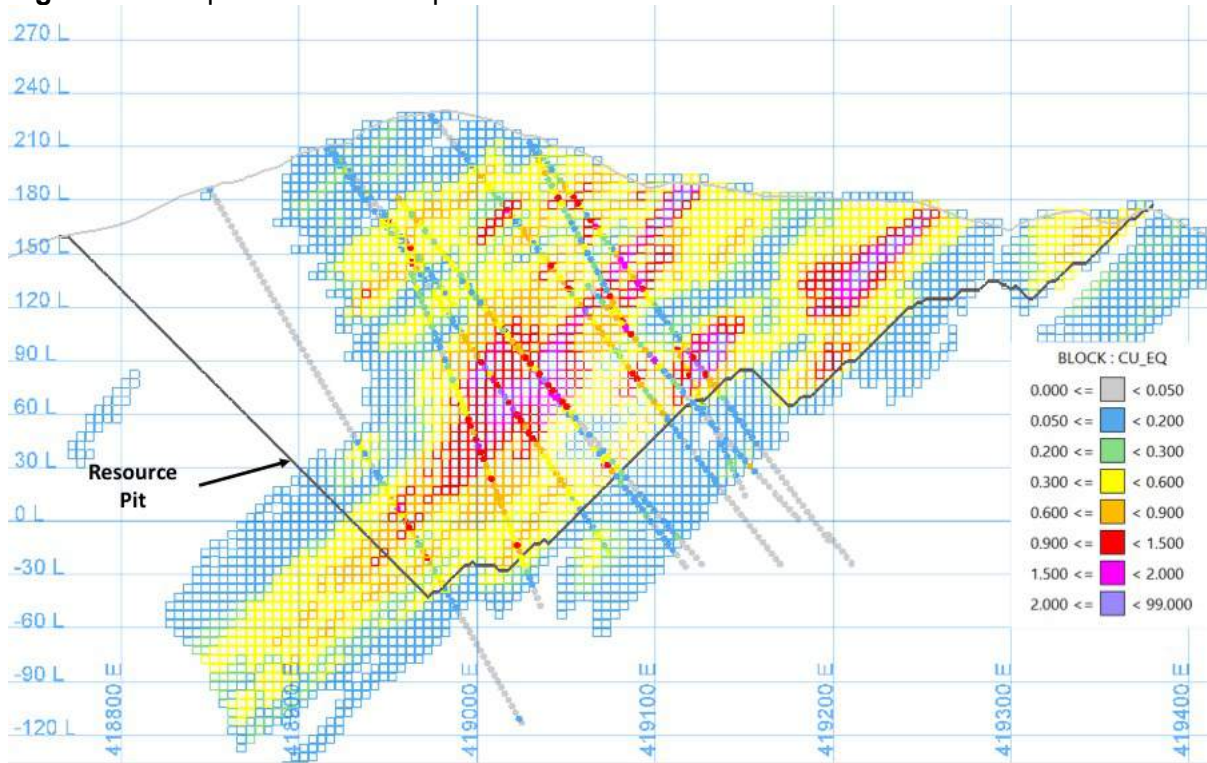


Figure 5: CuEq Block Grade Map at 855 300 N ± 25 m

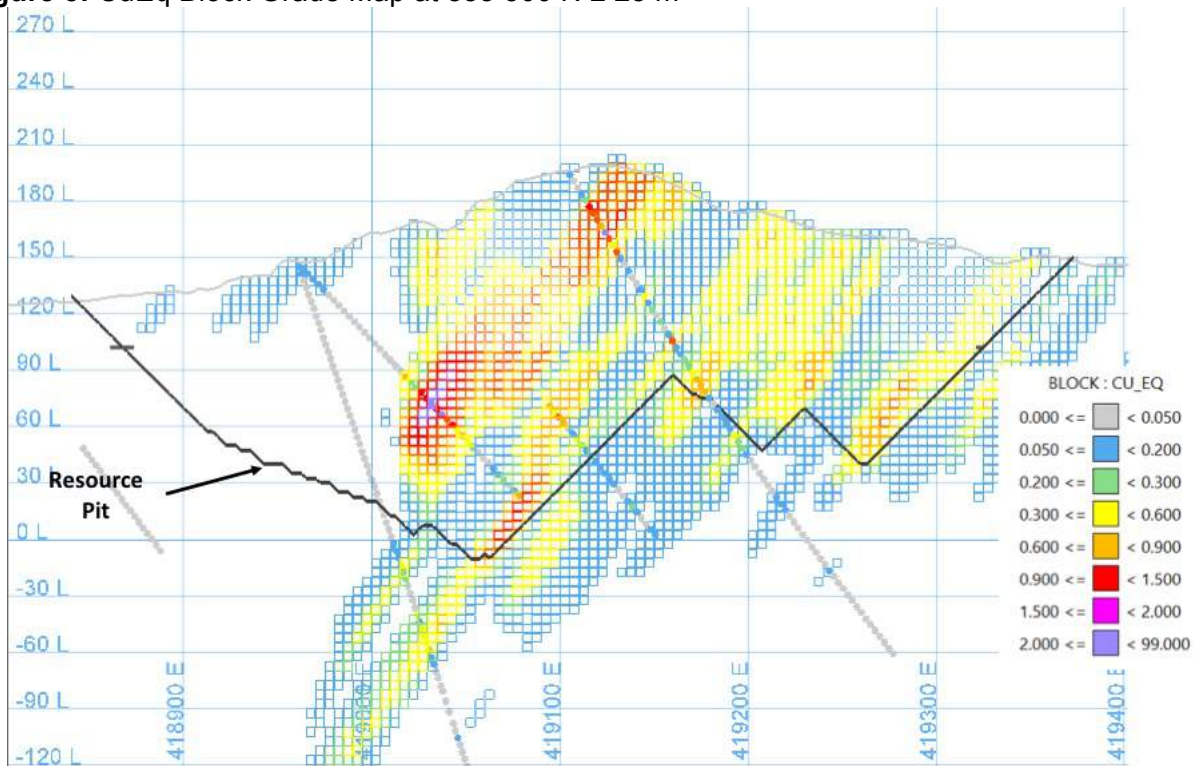


Figure 6: CuEq Block Grade Map at 419 050 E \pm 12.5 m

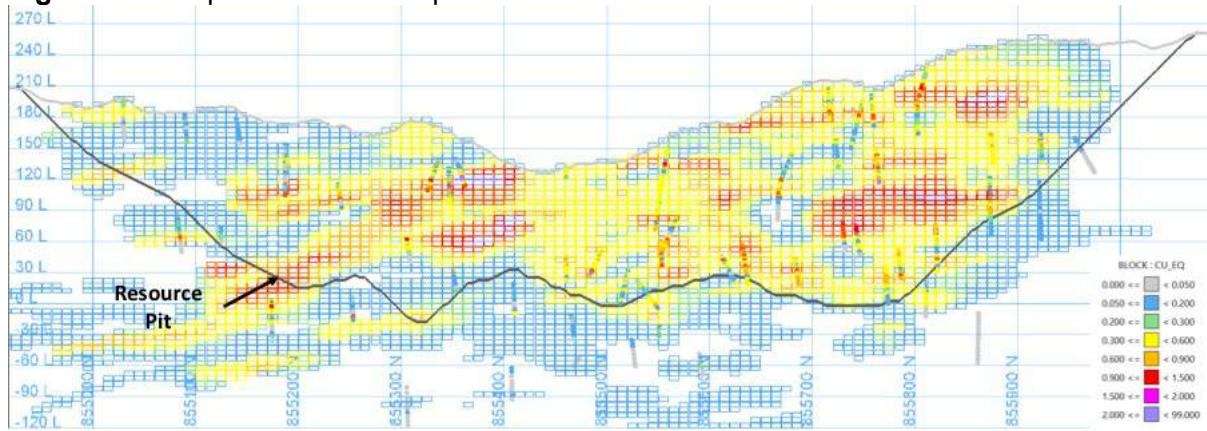
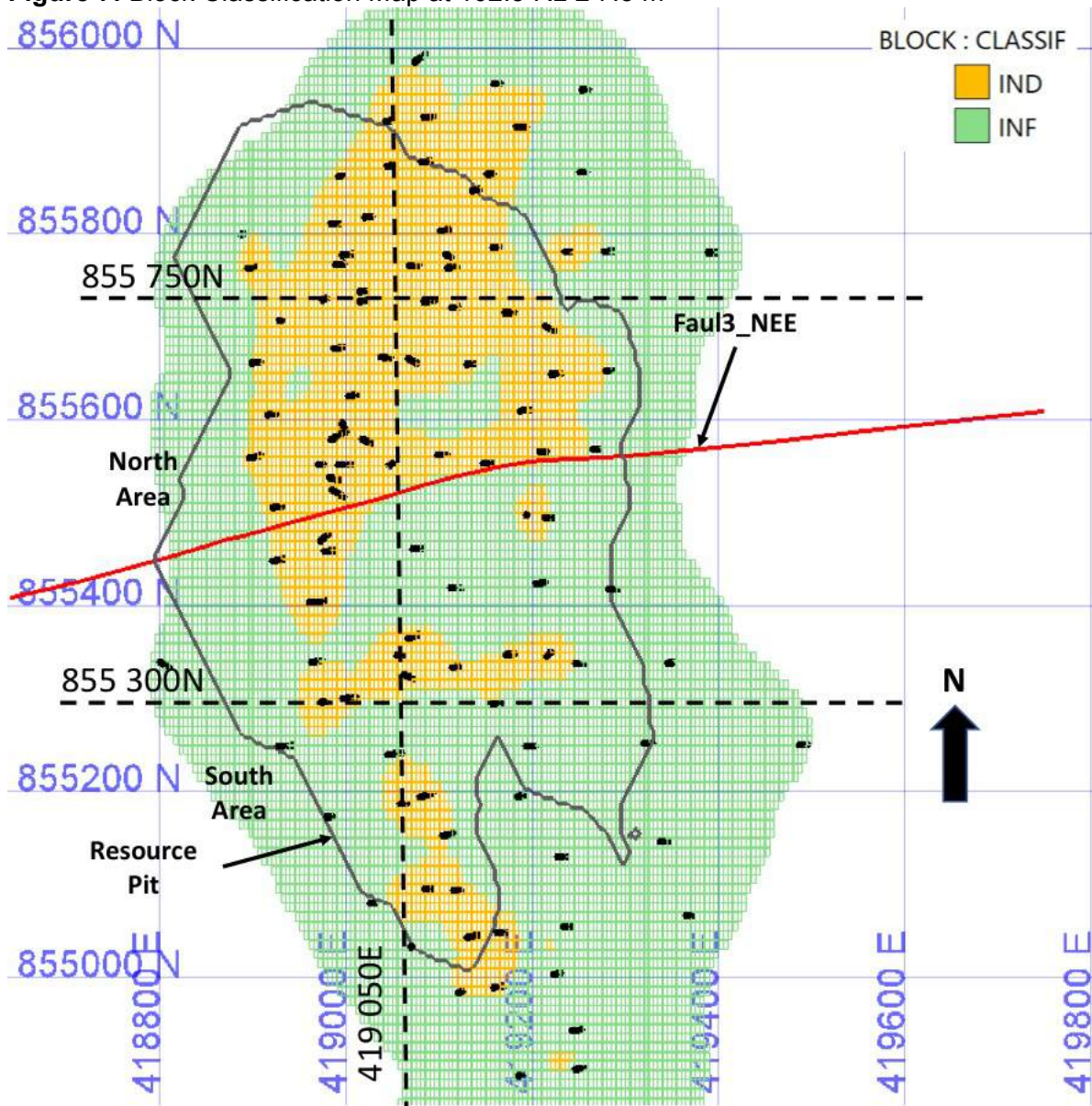


Figure 7: Block Classification Map at 102.5 RL \pm 7.5 m



SELECTED ANNUAL INFORMATION

The following table provides information for the years ended December 31, 2017, 2016 and 2015:

	December 31, 2017	December 31, 2016*	December 31, 2015*
Exploration and evaluation expenditures	\$ 76,425,509	\$ 1,407,015	\$ 3,503,839
Other operating expenses	2,936,659	3,178,439	1,665,637
Net loss	79,341,234	4,566,023	5,243,835
Loss per share - basic and fully diluted	0.57	0.05	0.08
Total assets	5,476,457	2,469,774	2,548,573
Total liabilities	511,926	2,174,123	836,195
Shareholders' equity	4,964,531	295,651	1,712,378

**Effective July 31, 2017, the Company has changed its accounting policy from capitalizing exploration and evaluation acquisition costs to expensing such costs in the period the costs are incurred. The Company has applied the change in accounting policy on a retrospective basis and has therefore revised its 2016 and 2015 comparatives.*

- In July 2017, the Company completed the consolidation of San Matias (the “Transaction”) by acquiring HPX’s 51% interest in the project through the acquisition of HPX Colombia Ventures Ltd. for consideration of 92,681,290 Cordoba common shares (the “Consideration”). The fair value of the common shares on the transaction closing date of \$62,096,464 has been expensed as evaluation and exploration acquisition costs for the period, hence, increased the exploration and evaluation expenditures for the year ended December 31, 2017.

In addition, the Company reimbursed HPX for approximately \$10 million JV expenditures HPX incurred after the completion of Phase Two by issuing 12,364,623 Units (the “Reimbursement”). Each Unit consists of one Cordoba common share and one-half of one Cordoba common share purchase warrant and has a deemed price of \$0.81 per Unit, that being the same price as the July 2017 Private Placement.

By reimbursing HPX, the Company is effectively funding the project after HPX completed Phase Two of the Joint Venture and Earn-In Agreement (“JV Agreement”); therefore, the Company recognized the Reimbursement and all post-Phase Two project expenditure it has incurred in its current year consolidated financial statements, which further increased the exploration and evaluation expenditures for the year ended December 31, 2017.

The exploration and evaluation expenditures were lower for the year ended December 31, 2016 compared to the years ended December 31, 2017 and 2015 due to HPX began funding San Matias directly upon completion of the Initial Option Period in the first quarter of 2016. During 2016, Cordoba and HPX completed the Initial Option Period, Phase One and Phase Two of the JV Agreement where HPX earned a 51% interest in San Matias by spending \$19 million on the project. Since HPX funded Phase One, Two and Three of the project directly, the Company did not incur any exploration and evaluation expenditure during these three phases. As a result, the Company reported lower exploration and evaluation expenditures for the year ended December 31, 2016.

- Other operating expenses consist of corporate administration costs incurred by the corporate office in Toronto, non-cash share-based payments and amortization. Other operating expenses were higher for the year ended December 31, 2017 compared to years ended December 31, 2016 and 2015 mainly due to increased corporate costs and professional fees associated with increased personnel, compliance and regulatory matters, corporate development and mergers and acquisition activities, as well as investor relations activities. The increase in the corporate administration cost in 2017 is offset by the decrease in share-based payments compared to year 2016, hence, total other operating expenses for the year ended December 31, 2017 remained relatively consistent compared to the year ended December 31, 2016.

- Total assets for the year ended December 31, 2017 increased from 2016 and 2015 mainly due to increase in cash resulted from the July 2017 private placement, increase in land from the Company's surface right acquisition program, as well as increase in Colombian value added tax receivable from exploration expenditures incurred in Colombia.
- The increase in total liabilities for the year ended December 31, 2016 is mainly attributable to the increase in due to related parties. The 2016 amount due to HPX included a short-term loan of \$450,000 to fund the Company's corporate administration costs and cash received from HPX yet to be spent on exploration and evaluation expenditures on San Matias in Colombia.
- The change in shareholders' equity is mainly attributable to the use of cash resources to fund the Company's exploration and evaluation expenditures and administrative expenses for the periods and the injection of cash from fund raising activities. As the Company is in the exploration stage, it does not generate operating revenue.

SELECTED QUARTERLY INFORMATION

The following table provides information for the eight fiscal quarters ended December 31, 2017:

	31-Dec-2017	30-Sep-2017	30-Jun-2017	31-Mar-2017
Exploration and evaluation expenditures	\$ 2,810,439	\$ 73,615,070	\$ -	\$ -
Other operating expenses	310,681	1,205,275	856,654	564,049
Net loss	3,092,832	74,824,366	849,971	574,065
Loss per share - basic and fully diluted	0.02	0.45	0.01	0.01
Total assets*	5,476,457	8,935,100	3,016,957	5,144,635
Total liabilities	511,926	568,449	1,246,947	2,711,871
Shareholders' equity*	4,964,531	8,366,651	1,770,010	2,432,764

	31-Dec-2016	30-Sep-2016	30-Jun-2016	31-Mar-2016
Exploration and evaluation expenditures (recovery)*	\$ 38,000	\$ (14,163)	\$ (628,547)	\$ 2,011,725
Other operating expenses	1,030,836	481,365	1,394,306	271,932
Net loss*	1,071,368	467,004	750,428	2,277,223
Loss per share - basic and fully diluted	0.01	0.01	0.01	0.03
Total assets*	2,469,774	5,419,087	3,064,933	2,269,841
Total liabilities	2,174,123	4,650,391	1,953,924	1,389,934
Shareholders' equity*	295,651	768,696	1,111,009	879,907

*Effective July 31, 2017, the Company has changed its accounting policy from capitalizing exploration and evaluation acquisition costs to expensing such costs in the period the costs are incurred. The Company has applied the change in accounting policy on a retrospective basis and has therefore revised its prior periods comparatives.

- The exploration and evaluation expenditures were higher for the quarter ended September 30, 2017 due to the acquisition of HPX's 51% interest in San Matias and the reimbursement of JV expenditures HPX incurred after the completion of Phase Two. Both the Consideration and the Reimbursement were expensed in the third quarter of 2017, hence, increased the exploration and evaluation expenditures for the period.
- Since HPX completed the Initial Option Period in early 2016, HPX began funding San Matias directly. The funding received from HPX was recorded as a recovery, which offsets the exploration and evaluation expenditures on the Company's financial statements; therefore, the exploration and evaluation expenditures were \$Nil from April 2016 to June 2017. In addition, during the three months ended September 30, 2016, the Company reversed an over accrual of 2015 Colombian tax liability, resulting in a recovery in exploration and evaluation expenditure for the third quarter of 2016. Further, during the Initial Option Period which ended in the first quarter of 2016, Cordoba's exploration spending on San Matias exceeded the Initial Option Period funding provided by HPX through private placements and exercise of warrants. HPX reimbursed Cordoba for the Initial Option Period funding shortfall during the second quarter of 2016, resulting in an exploration and evaluation expenditure recovery for the three months ended June 30, 2016.
- Other operating expenses consist of corporate administration costs incurred by the corporate office in Toronto, non-cash share-based payments and amortization. The increase in other operating expenses for the periods ended September 30, 2017, June 30, 2017, December 31, 2016, and June 30, 2016 is mainly due to share-based payments of \$663,381, \$298,265, \$580,610, and \$976,474 respectively, charged during those periods representing the expensing of fair value of stock options vested during those periods, as well as value of deferred share units granted.

Besides the share-based payments charge, other operating expenses have remained relatively consistent over the periods presented with a slight increase in the second and third quarter of 2017 due to increased corporate and investor relations activities.

- The variances in total assets and shareholders' equity are mainly attributable to equity placements, which increased cash resources, while funding the Company's exploration and evaluation expenditures and administrative expenses decreased cash resources. As the Company is in the exploration stage, it does not generate operating revenue.

On July 11, 2017, the Company completed a bought deal private placement offering (the "Offering") of 12,346,000 subscription receipts (the "Subscription Receipts"). Each Subscription Receipt was sold at a price of \$0.81, for aggregate gross proceeds of approximately \$10 million, and entitled the holder thereof to receive one common share in the capital of the Company (each, a "Common Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") upon closing of the Transaction. Each Warrant will be exercisable to acquire one common share of the Company (each, a "Warrant Share") at a price of \$1.08 per Warrant Share, until July 11, 2019, subject to adjustment in certain events.

The proceeds of the July 2017 private placement net of share issuance costs of \$1.4 million have been bifurcated using the relative fair value method resulting in \$7.2 million recorded in share capital and \$1.4 million recorded in warrant reserves. The fair value of each Warrant issued in the July 2017 Offering and Transaction has been estimated as of the date of the issuance using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.12%, dividend yield of 0%, volatility of 89.85% and expected life of two years.

- The increase in total liabilities for the periods ended March 31, 2017, December 31, 2016 and September 30, 2016 mainly represents the increase in due to HPX. Those amounts represent cash funding provided by HPX during the JV earn-in yet to be recognized as or to be spent on exploration and evaluation expenditures at San Matias.

RESULTS OF OPERATIONS

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2017	2016*	2017	2016*
Exploration and evaluation expenditures*	\$ 2,810,439	\$ 38,000	\$ 76,425,509	\$ 1,407,015
Corporate administration	570,652	435,439	2,174,425	1,560,570
Share-based payments	(274,554)	580,610	687,092	1,557,084
Amortization	14,583	14,787	75,142	60,785
Interest and other income	(17,966)	(2,259)	(14,468)	(30,061)
Foreign exchange loss	(10,322)	4,791	2,124	8,635
Gain on disposition of property, plant and equipment	-	-	(8,590)	-
Write-off of property, plant and equipment	-	-	-	1,995
Net loss for the year	\$ 3,092,832	\$ 1,071,368	\$ 79,341,234	\$ 4,566,023

*Effective July 31, 2017, the Company has changed its accounting policy from capitalizing exploration and evaluation acquisition costs to expensing such costs in the period the costs are incurred. The Company has applied the change in accounting policy on a retrospective basis and has therefore revised its prior periods comparatives.

Exploration and Evaluation Expenditures

During most of 2016, HPX was funding San Matias directly while it was earning into the project during Phase One and Phase Two of the JV Agreement and the Company did not recognize any of the HPX funded project costs in its consolidated financial statements during that period. In the third quarter of 2017, the Company acquired HPX's 51% interest in San Matias and reimbursed HPX the JV expenditures they incurred after the completion of Phase Two. The Consideration and the Reimbursement were expensed in the current year, hence, increased the exploration and evaluation expenditures for the three and twelve month periods ended December 31, 2017.

For the three and twelve month periods ended December 31, 2017 and 2016, exploration and evaluation expenditure comprises:

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2017	2016*	2017	2016*
Direct exploration costs	\$ 1,372,335	\$ 3,588,709	\$ 6,858,232	\$ 8,699,496
Indirect exploration costs	690,332	923,729	5,184,758	2,074,572
Site general and administration costs	432,947	442,662	1,971,230	1,734,039
E&E acquisition costs*	314,825	38,000	62,411,289	38,000
Recovery from HPX	-	(4,955,100)	-	(11,139,092)
Exploration and evaluation expenditures	\$ 2,810,439	\$ 38,000	\$ 76,425,509	\$ 1,407,015

*Effective July 31, 2017, the Company has changed its accounting policy from capitalizing exploration and evaluation acquisition costs to expensing such costs in the period the costs are incurred. The Company has applied the change in accounting policy on a retrospective basis and has therefore revised its prior periods comparatives.

Direct exploration costs decreased for the three and twelve month periods ended December 31, 2017 compared to the same periods in 2016 mainly due to timing of the execution of exploration programs. The Company's 2016/2017 exploration program, commenced towards the end of second quarter of 2016, consisted of Phase 2 expanded Typhoon IP geophysical survey and a 20,000-metre drilling program at Alacran and previously defined porphyry targets. The Company further expanded the 2016/2017 drilling campaign in the beginning of 2017 by engaging Major Drilling International Inc. to provide more powerful drill rigs that allowed for the drill testing of deeper targets at San Matias. The exploration activities slowed down over the summer months in 2017 for the Company to analyze previous drilling results and finalize the strategy for the next drilling campaign. In September 2017, the Company commenced a 10-hole drill

program aimed at extending the resource in the immediate vicinity of an internally modeled pit shell. The program was completed in the fourth quarter of 2017 and the results have been incorporated into the Company's updated resource.

The decrease in indirect exploration costs for the three months ended December 31, 2017 is mainly due to the Company undertook a less aggressive drilling campaign in the fourth quarter of 2017 compared to same quarter in 2016. The increase in indirect exploration costs for the twelve month period ended December 31, 2017 is mainly due to a charge of \$1.8 million management fees by HPX for managing the joint venture as contemplated in the Company's JV Agreement with HPX, increased canon and land use charges, as well as environmental and social costs for conducting the drilling campaigns.

Site general and administration costs for the three and twelve month periods ended December 31, 2017 remained relatively consistent with comparable periods in prior year.

In the fourth quarter of 2017, the Company paid \$314,825 (US\$250,000) to OMNI as option payment for the Alacran project, which increased the E&E acquisition cost for the three months ended December 31, 2017. In July 2017, the Company acquired HPX's 51% interest in the San Matias project by issuing 92,681,290 Cordoba common shares. The Consideration has been expensed, hence, increased the evaluation and exploration acquisition costs for the twelve months ended December 31, 2017.

In 2016, while HPX was earning into the joint venture during Phase One and Phase Two, the funding received from HPX was recorded as a recovery, which offsets the exploration and evaluation expenditures on the Company's financial statements.

Corporate Administration

Corporate administration expenditures for the three and twelve months ended December 31, 2017 increased from the comparable periods in 2016 mainly due to increased payroll expenses for the additions made to management, increased legal and professional fees associated with corporate restructuring and corporate development activities, and increased travel and investor relations expenses associated with the increased corporate and project activities.

Share-based Payments

For the three month period ended December 31, 2017, the Company reversed \$405,350 share-based payments which were originally recorded in the third quarter of 2017, hence, decreased the share-based payment for the fourth quarter of 2017. For the twelve month period ended December 31, 2017, share-based payments decreased from the same period in 2016 mainly due to less stock options were granted and fewer units vested in 2017.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2017, the Company had cash and cash equivalents of \$2.4 million (December 31, 2016 - \$1.0 million) to apply against third-party short-term business requirements and current liabilities of \$0.5 million (December 31, 2016 - \$0.6 million). The Company is in the exploration stage and therefore, has no cash flow from operations.

On July 11, 2017, the Company completed a bought deal private placement offering of 12,346,000 subscription receipts (the "Subscription Receipts"). Each Subscription Receipt was sold at a price of \$0.81, for aggregate gross proceeds of approximately \$10 million, and entitled the holder thereof to receive one common share in the capital of the Company and one-half of one common share purchase warrant upon closing of the Transaction.

Funds raised from the financing are being used towards advancing the San Matias project, continued corporate development and general working capital purposes. The Company expects its current capital

resources to be sufficient to cover its planned 2018 activities. Actual funding requirements may vary from those planned due to a number of factors, including the progress of the Company's business activities and current economic and financial market conditions. The Company will continue to pursue opportunities to raise additional capital through equity markets to fund its future exploration and operating activities; however there can be no assurance that such financing will be available on a timely basis and under terms which are acceptable to the Company.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

PROPOSED TRANSACTIONS

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

The Company is exposed to the following financial risks: credit risk, liquidity risk and market risk.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and Colombian value added tax receivable. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions.

As at	December 31, 2017	December 31, 2016
Cash held in bank accounts	\$ 1,298,477	\$ 1,027,240
Term deposits	1,115,958	-
Colombian value added tax receivable	1,171,287	854,713
	\$ 3,585,722	\$ 1,881,953

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At December 31, 2017,

the Company had cash and cash equivalents of \$2.4 million (December 31, 2016 - \$1.0 million) to apply against third-party short-term business requirements and current liabilities of \$0.5 million (December 31, 2016 - \$0.6 million). All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates and other market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in Colombia. The Company monitors this exposure, but has no hedge positions.

As at December 31, 2017, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	December 31, 2017		December 31, 2016	
	US Dollars (CDN equivalent)	Colombian Pesos (CDN equivalent)	US Dollars (CDN equivalent)	Colombian Pesos (CDN equivalent)
Cash	\$ 6,945	\$ 131,751	\$ 69,429	\$ 729,349
Other receivables	-	51,475	-	15,006
Value added tax receivable	-	1,171,287	-	854,713
Accounts payable and accrued liabilities	-	(349,114)	-	(305,862)
Due to related parties	-	-	(29,514)	-
	\$ 6,945	\$ 1,005,399	\$ 39,915	\$ 1,293,206

Based on the above net exposures at December 31, 2017, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an increase or decrease of approximately \$101,200 (December 31, 2016 - \$133,300) in the Company's net loss and comprehensive loss for the year.

Interest Rate Risk

Interest rate risk consists of two components:

To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company considers interest rate risk to not be significant.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to any other price risk.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash and cash equivalents, other receivables, due from related parties, accounts payable and accrued liabilities and due to related parties approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- | | |
|---------|--|
| Level 1 | Unadjusted quoted prices in active markets for identical assets or liabilities; |
| Level 2 | Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and |
| Level 3 | Inputs for the asset or liability that are not based on observable market data (unobservable inputs). |

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. The Company defines its capital as all components of equity and short-term debt. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The property in which the Company currently has an interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities.

The Company will spend its existing working capital and seek to raise additional amounts as needed by way of equity financing or debt to carry out its planned corporate development and general administrative costs. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company expects its current capital resources to be sufficient to cover its operating costs and to carry out its exploration activities through the next twelve months. As such,

the Company will seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto. There have been no changes to the Company's approach to capital management during the year ended December 31, 2017.

RELATED PARTY TRANSACTIONS

The Company had transactions during the years ended December 31, 2017 and 2016 with related parties consisted of directors, officers and companies with common directors and/or officers:

During the year ended December 31, 2017, the Company incurred \$2,267,979 (December 31, 2016 - \$1,449,000) in exploration and evaluation expenditures to HPX, a company that is the controlling shareholder of Cordoba. The costs incurred consist of technical and managerial services provided for the Company's exploration projects in Colombia.

During the year ended December 31, 2017, the Company incurred \$179,371 (December 31, 2016 - \$95,550) in exploration and evaluation and corporate administration expenditures to Global Mining Management Corporation ("GMM"), a company that is owned equally by eight companies, one of which is Cordoba. The costs incurred consist of technical and managerial services provided to the Company. The investment in GMM is held at \$Nil on the consolidated statements of financial position.

Amount due from related parties as of December 31, 2017 represents \$59,482 (December 31, 2016 - \$Nil) net receivable from HPX. The amount represents the recoverable portion of shared personnel costs the Company incurred on behalf of HPX. The amount owing is unsecured, non-interest-bearing and payable on demand.

Amount due to related parties as of December 31, 2017 represents \$43,626 (December 31, 2016 - \$5,883) net payable to GMM. The amount owing is unsecured, non-interest-bearing and payable on demand.

Amount due to related parties as of December 31, 2016 also includes \$1,570,000 (December 31, 2015 - \$353,000) due to HPX. The amount due to HPX includes a short-term loan of \$450,000 to fund the Company's corporate administration costs. The loan is due on demand or, if earlier, March 31, 2017 or the date that the Company completes any private placement or prospectus offering of common shares. The loan bears an interest of 8% per annum. The remaining balance represents cash received from HPX yet to be spent on exploration and evaluation expenditures on the San Matias project in Colombia.

During 2017, the Company reversed the amount due to Continental Gold Limited, a company with a former common director, as it has been determined that the amount has been written off by the related party.

These transactions are in the normal course of operations and are measured at the exchange amount of the services rendered.

Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. For the periods ended December 31, 2017 and 2016, key management compensation comprises:

For the year ended	December 31, 2017	December 31, 2016
Salaries and benefits	\$ 1,077,117	\$ 895,625
Share-based payments	320,000	1,370,250
	\$ 1,397,117	\$ 2,265,875

For the year ended December 31, 2017, salaries and benefits increased mainly due to the addition made to management increasing the number of officers from three to four in June 2016. Share-based payments decreased for the year ended December 31, 2017 due to fewer units of equity-based instruments granted to officers and directors during the year.

SHARE POSITION AND OUTSTANDING WARRANTS AND OPTIONS

The Company's outstanding share position as at March 13, 2018 is as follows:

	Number of shares
Common shares	206,738,643
Warrants	12,405,411
Broker compensation options	370,380
Stock options	6,408,625
Restricted share units	960,000
Deferred share units	300,000
Fully diluted share capital - March 13, 2018	227,183,059

Common Shares

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

As at December 31, 2017, there were no common shares (December 31, 2016 - 2,309,524) held in escrow.

Share Purchase Warrants

Details of share purchase warrants outstanding as of December 31, 2017 are:

Expiry date	Number of warrants	Weighted average exercise price
April 1, 2018	50,100	\$0.21
July 11, 2019	12,355,311	\$1.08
Balance - December 31, 2017	12,405,411	1.08

Compensation Options

As of December 31, 2017, the Company has 370,380 compensation options outstanding (December 31, 2016 – Nil). The compensation options were granted to the syndicate of underwriters in connection with the July 2017 Offering. Each compensation option can be exercised into one Cordoba common share and one-half of one Cordoba common share purchase warrant at an exercise price of \$0.81 until January 11, 2019. Each common share purchase warrant will be exercisable to acquire one common share of the Company at a price of \$1.08 until July 11, 2019.

Stock Options

The Company has in place a stock option plan (the "Plan"), which allows the Company to issue options to certain directors, officers, employees and consultants of the Company. The aggregate number of securities reserved for issuance will be not more than 10% of the number of common shares issued and outstanding from time to time. The Plan provides that the number of stock options held by any one individual may not exceed 5% of the number of issued and outstanding common shares. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the Company's shares on the day prior to the grant date. Stock options granted

under the Plan may be subject to vesting terms if imposed by the Board of Directors or required by the TSX Venture Exchange.

The following is a summary of share purchase options activity for the year ended December 31, 2017:

Grant date	Expiry date	Exercise price	Opening balance	During the period			Closing balance	Vested and exercisable	Unvested
				Granted	Exercised	Expired / Cancelled			
8-1-12	7-31-22	\$1.00	62,500	-	(25,000)	-	37,500	37,500	-
3-28-14	10-9-17	\$1.06	175,240	-	-	(175,240)	-	-	-
3-28-14	3-20-18	\$1.42	73,601	-	-	-	73,601	73,601	-
3-28-14	7-30-18	\$1.42	17,524	-	-	-	17,524	17,524	-
6-27-14	6-26-24	\$0.80	1,530,000	-	(100,000)	-	1,430,000	1,430,000	-
5-26-15	5-26-25	\$0.21	1,362,500	-	(250,000)	-	1,112,500	1,112,500	-
10-24-15	10-24-25	\$0.13	300,000	-	-	-	300,000	300,000	-
11-24-15	11-24-25	\$0.12	1,512,500	-	(75,000)	-	1,437,500	1,437,500	-
4-19-16	4-19-26	\$0.85	1,925,000	-	-	-	1,925,000	1,925,000	-
11-9-16	11-9-26	\$0.74	200,000	-	-	(100,000)	100,000	75,000	25,000
7-31-17	7-31-22	\$0.81	-	150,000	-	-	150,000	37,500	112,500
11-20-17	11-20-22	\$0.58	-	75,000	-	-	75,000	18,750	56,250
			7,158,865	225,000	(450,000)	(275,240)	6,658,625	6,464,875	193,750
Weighted ave. exercise price			\$ 0.54	\$ 0.73	\$ 0.37	\$ -	\$ 0.55	\$ 0.54	\$ 0.73

Deferred Share Unit

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

A summary of DSU activity for the year ended December 31, 2017 is as follows:

	Number of DSUs
Balance - December 31, 2016	-
Granted	350,000
Cancelled	-
Redeemed	-
Balance - December 31, 2017	350,000

Other Equity-based Instruments

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

A summary of other equity-based instruments activity for the year ended December 31, 2017 is as follows:

	Number of RSUs
Balance - December 31, 2016	-
Granted	1,035,000
Cancelled	-
Redeemed	-
Balance - December 31, 2017	1,035,000

No PSUs were issued during the year ended December 31, 2017.

COMMITMENTS

The Company has commitments relating to an office lease ending February 2020. The minimum annual payments for the next 3 years are as follows:

	Amount
2018	52,948
2019	52,948
2020	4,412
Total	\$ 110,308

OTHER DATA

Additional information related to the Company is available for viewing at www.sedar.com.

ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

During the year ended December 31, 2017, the Company has changed its accounting policy from capitalizing exploration and evaluation asset acquisition costs to expensing such costs in the period the costs are incurred. The Company believes that expensing exploration and evaluation acquisition costs as incurred provides more reliable and relevant financial information to the users of its financial statements. While IFRS 6, Exploration for and Evaluation of Mineral Resources allows either treatment, given the challenges in valuing early stage E&E assets, management believes capitalizing these costs do not provide the investors relevant information that would assist them in making a determination of the valuation of the underlying property.

Under the new policy, the cost of acquiring prospective properties and exploration rights are expensed until it has been established that a mineral property is technically feasible and commercially viable as supported by a National Instrument 43-101 – Standards of Disclosure for Mineral Projects feasibility study and a mine development decision has been made by the Company. Thereafter, the Company will capitalize expenditures subsequently incurred to develop the mine, prior to the start of mining operations in accordance with IAS 16 – Property, Plant and Equipment.

The Company has applied the change in accounting policy on a retrospective basis and has therefore revised its 2016 comparatives as outlined in Note 4 of the Company's consolidated financial statements for the year ended December 31, 2017.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET APPLIED

The following revised standards and amendments, unless otherwise stated, are effective on or after January 1, 2018, with early adoption permitted, and have not been applied in preparing these consolidated financial statements. Management is considering the impact of these standards.

IFRS 9, Financial Instruments (“IFRS 9”) replaces IAS 39, Financial Instruments – Recognition and Measurement (“IAS 39”) and some of the requirements of IFRS 7, Financial Instruments: Disclosures (“IFRS 7”). The objective of IFRS 9 is to establish principles for reporting of financial assets and financial liabilities in respect of the assessment of the amounts, timing and uncertainty of an entity’s future cash flows.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company expects the impact as a result of the new requirements to not be material.

IFRS 15, Revenue from Contracts with Customers (“IFRS 15”) replaces IAS 11, Construction Contracts (“IAS 11”), IAS 18, Revenue (“IAS 18”) and some revenue- related interpretations. The objective of IFRS 15 is to provide a single comprehensive revenue recognition model that applies to contracts with customers using two approaches to recognizing revenue – at one point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of the revenue recognized.

IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company expects the impact as a result of the new requirements to not be material.

IFRS 16, Leases (“IFRS 16”) replaces IAS 17, Leases (“IAS 17”). The new model requires the recognition of almost all lease contracts on a lessee’s statement of financial position as a lease liability reflecting future lease payments and a ‘right-of-use asset’ with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company is in the process of evaluating the impact.

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

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 described below, prior to making any investment in the Company’s common shares.

The risks noted below 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 impact the Company’s business, results of operations, financial results and prospects.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company’s properties do not have a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Title to Mineral Property Risks

Certain of the Company's rights to the Alacran Project are subject to the terms of an option Agreement which requires the Company to make certain payments in order to obtain and secure a further interest in the property. If the Company may fail to, or may choose not to, make such payments, in which case it will forfeit its interest in the property. Any failure by the Company to obtain or secure title to the property could have an adverse effect on the Company and the value of the Company's common shares.

The Company does not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has submitted concession applications to the Colombian authorities and the timing of granting such concessions is at the discretion of the Ministry of Mines and Energy. There is ongoing risk that such governmental processes will not be completed on a timely basis. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of its mineral property to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Company's project may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its project which could result in the loss of its property.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Political, Economic and Currency Risks

Although Colombia has a long-standing tradition respecting the rule of law, which has been bolstered in recent years by the present and former government's policies and programs, no assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Colombia. The Company's property interests and proposed exploration activities in Colombia are subject to political, economic and other uncertainties, including the risk of expropriation, nationalization, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions, and changing political conditions and international monetary fluctuations. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company.

The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in Colombian pesos and US dollars. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the Colombian peso or US dollar could have an adverse impact on the amount of exploration conducted.

Regulatory Risks

The mining industry in Colombia is subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record and the Company will be unable to predict what additional legislation or amendments may be enacted. Amendments to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations which are evolving in Colombia, or more stringent implementation thereof, could cause increases in expenditures and costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of its properties.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are fairly significant in Colombia. Colombia is home to South America's largest and longest running insurgency. While the situation has improved dramatically in recent years, there can be no guarantee that it will not deteriorate in the future. Any increase in kidnapping, gang warfare, homicide and/or terrorist activity in Colombia generally may disrupt supply chains and discourage qualified individuals from being involved with the Company's operations.

Competition

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.