



CORDOBA MINERALS CORP.

Condensed Interim Consolidated Financial Statements

March 31, 2020

(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited and expressed in Canadian Dollars)

	Notes	March 31, 2020	December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	3	\$ 4,183,469	\$ 247,160
Other receivables		68,595	44,393
Prepaid expenses and deposits	4	953,887	567,593
Total current assets		5,205,951	859,146
Non-current assets			
Colombian value added tax receivable	5	1,642,831	1,629,508
Property, plant and equipment	6	1,381,574	1,316,945
Financial assets	7	128,571	185,714
Other asset	9(i)	18,443,100	16,898,700
TOTAL ASSETS		\$ 26,802,027	\$ 20,890,013
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 880,926	\$ 676,007
Due to related parties	15	492,356	3,567,090
Lease liability	8	227,787	281,151
Other liability	9,15	19,130,150	17,548,200
Total current liabilities		20,731,219	22,072,448
Non-current liabilities			
Lease liability	8	75,124	132,456
TOTAL LIABILITIES		20,806,343	22,204,904
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	10	162,724,726	151,885,933
Equity reserves	10,11	17,234,608	17,186,491
Accumulated other comprehensive loss		(23,307)	(253,648)
Accumulated deficit		(173,512,548)	(169,932,318)
Shareholders' equity (deficit) attributable to Cordoba Minerals Corp.		6,423,479	(1,113,542)
Non-controlling interest	14	(427,795)	(201,349)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)		5,995,684	(1,314,891)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 26,802,027	\$ 20,890,013

Description of business and going concern (Note 1)

Subsequent event (Notes 10(a) and 19)

Approved and authorized for issue on behalf of the Board on May 26, 2020:

/s/ Eric Finlayson
Eric Finlayson, Director

/s/ William Orchow
William Orchow, Director

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited and expressed in Canadian Dollars)

	Notes	Three months ended March 31,	
		2020	2019
Operating expenses			
Exploration and evaluation expenditures	12	\$ 3,059,780	\$ 1,627,380
Corporate administration	13	458,190	538,819
Amortization	6	94,506	69,052
Loss from operations		3,612,476	2,235,251
Other expense (income)			
Other income		(21,381)	(60,226)
Interest expense		34,580	7,691
Foreign exchange loss		181,001	39,618
Loss before income taxes		3,806,676	2,222,334
Income taxes		-	-
Net loss for the period		\$ 3,806,676	\$ 2,222,334
Other comprehensive (income) loss			
Items that may be reclassified subsequently to loss:			
Currency translation adjustment		(287,484)	57,986
Items that will not be reclassified subsequently to loss:			
Change in fair value of marketable securities	7	57,143	(85,714)
Total other comprehensive income		(230,341)	(27,728)
Total comprehensive loss for the period		\$ 3,576,335	\$ 2,194,606
Net loss attributable to:			
Owners of Cordoba Minerals Corp.		\$ 3,580,230	\$ 2,222,334
Non-controlling interest	14	226,446	-
Net loss for the period		\$ 3,806,676	\$ 2,222,334
Total comprehensive loss attributable to:			
Owners of Cordoba Minerals Corp.		\$ 3,349,889	\$ 2,194,606
Non-controlling interest	14	226,446	-
Total comprehensive loss for the period		\$ 3,576,335	\$ 2,194,606
Loss per share (basic and diluted)		\$ 0.01	\$ 0.01
Weighted average number of basic and diluted			
common shares outstanding		440,805,629	285,374,944

See accompanying notes to the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited and expressed in Canadian Dollars)

		Three months ended March 31,	
	Notes	2020	2019
Operating activities			
Net loss for the period		\$ (3,806,676)	\$ (2,222,334)
Adjustments for non-cash items:			
Share-based payments	12,13	48,117	107,107
Amortization	6	94,506	69,052
Interest expense		34,580	7,691
Other expense		-	(44,858)
Unrealized foreign exchange loss (gain)		224,459	(40,252)
Changes in non-cash working capital items:			
Receivables		(225,186)	(66,404)
Prepaid expenses and deposits		(386,294)	95,203
Accounts payable and accrued liabilities		204,919	477,771
Due to related parties		256,196	20,735
Cash used in operating activities		(3,555,379)	(1,596,289)
Investing activities			
Acquisition of property, plant and equipment	6	(48,804)	(1,573)
Cash used in investing activities		(48,804)	(1,573)
Financing activities			
Proceeds from private placement with JCHX	10	10,964,704	-
Share issuance costs on private placement with JCHX	10	(125,911)	-
Proceeds from short-term loan from related party	15	250,579	-
Settlement of short-term loan from related party	15	(3,550,304)	-
Settlement of accrued interest on short-term loan from related party	15	(74,196)	-
Issuance of shares and warrants, net of issue costs		-	2,192,732
Payment of lease liabilities	8	(73,257)	(40,201)
Interest paid		(13,141)	(5,872)
Cash from financing activities		7,378,474	2,146,659
Effect of changes in foreign exchange rates on cash and cash equivalents		162,018	623
Increase in cash and cash equivalents		3,936,309	549,420
Cash and cash equivalents, beginning of period	3	247,160	747,983
Cash and cash equivalents, end of period	3	\$ 4,183,469	\$ 1,297,403

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

(Unaudited and expressed in Canadian Dollars)

	Equity reserves							Shareholders' equity (deficit) attributable to owners of Cordoba Minerals Corp.	Non-controlling interest (Note 14)	Total
	Number of common shares	Share capital	Warrants reserve	Broker warrants reserve	Share-based payments reserve	Accumulated other comprehensive (loss) income	Accumulated deficit			
Balance at December 31, 2019	365,498,594	\$ 151,885,933	\$ 12,186,449	\$ 48,149	\$ 4,951,893	\$ (253,648)	\$ (169,932,318)	\$ (1,113,542)	\$ (201,349)	\$ (1,314,891)
Net loss for the period	-	-	-	-	-	-	(3,580,230)	(3,580,230)	(226,446)	(3,806,676)
Share-based payments (Notes 12 & 13)	-	-	-	-	48,117	-	-	48,117	-	48,117
Shares issued in private placement (Note 10)	91,372,536	10,964,704	-	-	-	-	-	10,964,704	-	10,964,704
Share issuance costs (Note 10)	-	(125,911)	-	-	-	-	-	(125,911)	-	(125,911)
Other comprehensive income	-	-	-	-	-	230,341	-	230,341	-	230,341
Balance at March 31, 2020	456,871,130	\$ 162,724,726	\$ 12,186,449	\$ 48,149	\$ 5,000,010	\$ (23,307)	\$ (173,512,548)	\$ 6,423,479	\$ (427,795)	\$ 5,995,684
Balance at December 31, 2018	277,219,388	\$ 146,258,230	\$ 11,455,565	\$ 48,149	\$ 4,865,572	\$ (108,001)	\$ (159,504,336)	\$ 3,015,179	\$ -	\$ 3,015,179
Net loss for the period	-	-	-	-	-	-	(2,222,334)	(2,222,334)	-	(2,222,334)
Share-based payments	-	-	-	-	107,107	-	-	107,107	-	107,107
Shares issued for private placement	22,800,000	1,520,029	759,971	-	-	-	-	2,280,000	-	2,280,000
Share issuance costs	-	(58,181)	(29,087)	-	-	-	-	(87,268)	-	(87,268)
Other comprehensive income	-	-	-	-	-	27,728	-	27,728	-	27,728
Balance at March 31, 2019	300,019,388	\$ 147,720,078	\$ 12,186,449	\$ 48,149	\$ 4,972,679	\$ (80,273)	\$ (161,726,670)	\$ 3,120,412	\$ -	\$ 3,120,412

See accompanying notes to the condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited and expressed in Canadian Dollars)

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

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

At March 31, 2020, High Power Exploration Inc. ("HPX"), the Company's privately owned parent, held 60.2% (December 31, 2019 – 75.3%) of the Company's issued and outstanding common shares. The ultimate controlling entity is I-Pulse Inc., a privately owned company.

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

The Company's condensed interim consolidated financial statements are prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

For the three months ended March 31, 2020, the Company had no operating revenue and incurred a net loss of \$3.81 million (March 31, 2019 - \$2.22 million). At March 31, 2020, the Company had consolidated cash of \$4.18 million (December 31, 2019 - \$247,000) to apply against current liabilities of \$20.73 million (December 31, 2019 - \$22.07 million).

At March 31, 2020, the Company believes that it has adequate resources to maintain its minimum obligations, including general corporate activities, based on its cash position and its ability to pursue additional sources of financing, including equity placements such as the Rights Offering which was announced on May 15, 2020 (Note 19).

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 programs at its properties, or to enable the Company to fulfill its obligations under any applicable agreements. The Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore and evaluate its mineral properties and, ultimately, to achieve profitable operations. Significant reliance is placed on HPX, the Company's controlling shareholder, for providing ongoing financing to the Company. Failure of HPX to provide or participate in financing, or the inability of HPX to provide or participate in financing, would likely result in difficulty for Cordoba to attract separate third party investment. As such, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These condensed interim consolidated

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

financial statements do not include all of the information and footnotes required by IFRS for full annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS.

The accounting policies used in the preparation of these condensed interim consolidated financial statements are the same as those applied in the Company's most recent consolidated annual financial statements for the year ended December 31, 2019 with the exception of amendments listed in 2 (c).

These condensed interim consolidated financial statements have been prepared on the historical costs basis except for certain financial instruments, which are measured at fair value.

These condensed interim consolidated financial statements are expressed in Canadian dollars.

(b) Comparative figures

Certain of the figures in the comparative financial statements have been reclassified to conform with the current year's presentation.

(c) New accounting standards and interpretations

- i.* The Company has adopted the following amendments to IFRS:

Amendments to IFRS 3, Business Combinations (effective January 1, 2020) assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. The definition of a business has been amended to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and to exclude returns in the form of lower costs and other economic benefits. These amendments did not impact the Company's consolidated financial statements.

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

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

Amendments to IAS 1, Presentation of Financial Statements (effective January 1, 2022) 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,

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

equity instruments, other assets, or services to the counterparty. Management is currently assessing the impact of this amendment.

(d) Critical accounting estimates and judgments

The preparation of the condensed interim consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In March 2020, the World Health Organization declared a global pandemic, which has had an adverse impact on the global economy, impacting global supply chains, international trade, movement of people and the availability of financing. Such conditions may have an adverse impact on the Company. The duration of the pandemic is currently unknown and it is not possible to reliably estimate the severity of the impact on the Company.

The Company has consistently applied the significant accounting judgments, estimates and assumptions set out in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2019 to all the periods presented in these condensed interim consolidated financial statements.

3. CASH AND CASH EQUIVALENTS

	March 31, 2020	December 31, 2019
Cash held in bank accounts	\$ 1,539,159	\$ 247,160
Redeemable short term investments	2,644,310	-
Total cash and cash equivalents	\$ 4,183,469	\$ 247,160

The Company's redeemable short term investments earn interest and are redeemable at any time, without penalty for redemption prior to maturity.

4. PREPAID EXPENSES AND DEPOSITS

	March 31, 2020	December 31, 2019
Prepaid Insurance	\$ 69,176	\$ 102,968
Deposits	634,617	116,101
Deposits with related parties (Note 15(b))	80,000	80,000
Deferred financing expenses	-	99,318
Other	170,094	169,206
Total prepaid expenses and deposits	\$ 953,887	\$ 567,593

5. COLOMBIAN VALUE-ADDED-TAX ("VAT") RECEIVABLE

Non-current VAT receivable arises from VAT paid to the Government of Colombia in respect of the Company's exploration and development activities. Under the VAT regime in Colombia, VAT paid during a company's development stage forms a credit which is available to offset VAT collected during future commercial operations. The actual timing of receipt is uncertain as VAT is refundable only upon commercial operations; therefore, VAT receivable has been classified as a non-current asset.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Furniture and equipment	Vehicles	Land	Right-of-use assets (Note 8(a))	Total
Cost						
Balance - December 31, 2018	\$ 154,405	\$ 275,586	\$ 121,176	\$ 722,223	\$ -	\$ 1,273,390
Impact of IFRS 16 adoption	-	-	(42,721)	-	224,905	182,184
Additions	49,555	3,233	-	-	445,140	497,928
Write-offs and disposals	(10,905)	(28,714)	(52,912)	-	-	(92,531)
Other adjustments	-	-	-	-	3,051	3,051
Foreign exchange	(8,359)	(12,625)	(5,452)	(34,547)	(14,679)	(75,662)
Balance - December 31, 2019	184,696	237,480	20,091	687,676	658,417	1,788,360
Additions	40,749	8,055	-	-	-	48,804
Write-offs and disposals	-	-	-	-	(107,919)	(107,919)
Other adjustments	-	-	-	-	(2,653)	(2,653)
Foreign exchange	18,391	23,023	6,734	63,367	50,566	162,081
Balance - March 31, 2020	\$ 243,836	\$ 268,558	\$ 26,825	\$ 751,043	\$ 598,411	\$ 1,888,673
Accumulated amortization						
Balance - December 31, 2018	\$ 80,917	\$ 87,371	\$ 24,708	\$ -	\$ -	\$ 192,996
Impact of IFRS 16 adoption	-	-	(712)	-	712	-
Charge for the year	30,070	26,607	19,477	-	281,157	357,311
Write-offs and disposals	(10,432)	(20,427)	(31,538)	-	-	(62,397)
Foreign exchange	(4,893)	(4,443)	(3,609)	-	(3,550)	(16,495)
Balance - December 31, 2019	95,662	89,108	8,326	-	278,319	471,415
Charge for the period	8,217	5,888	2,724	-	77,677	94,506
Write-offs and disposals	-	-	-	-	(107,919)	(107,919)
Foreign exchange	8,441	16,567	3,815	-	20,274	49,097
Balance - March 31, 2020	\$ 112,320	\$ 111,563	\$ 14,865	\$ -	\$ 268,351	\$ 507,099
Net book value						
Balance - December 31, 2019	\$ 89,034	\$ 148,372	\$ 11,765	\$ 687,676	\$ 380,098	\$ 1,316,945
Balance - March 31, 2020	\$ 131,516	\$ 156,995	\$ 11,960	\$ 751,043	\$ 330,060	\$ 1,381,574

7. FINANCIAL ASSETS

Financial assets comprise the Company's investment in Bell Copper Corporation ("Bell Copper") common shares, which had a fair value of \$128,571 on March 31, 2020 (December 31, 2019 – \$185,714).

8. LEASES

(a) Right-of-use-assets

The Company's ROU assets include contracts for leasing vehicles, office premises and equipment. At March 31, 2020, \$330,060 of ROU assets are recorded as part of property, plant and equipment. ROU assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying assets.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

	Vehicles	Office	Equipment	Total
Right of use assets				
Net book value at January 1, 2019	\$ -	\$ -	\$ -	\$ -
IFRS 16 adoption	42,009	163,873	18,311	224,193
Additions	445,140	-	-	445,140
Amortization charge for the year	(133,662)	(134,923)	(12,572)	(281,157)
Other adjustment	-	3,051	-	3,051
Foreign exchange	(8,513)	(2,005)	(611)	(11,129)
Net book value at December 31, 2019	\$ 344,974	\$ 29,996	\$ 5,128	\$ 380,098
Additions	-	-	-	-
Amortization charge for the period	(58,548)	(17,724)	(1,405)	(77,677)
Other adjustment	-	-	(2,653)	(2,653)
Foreign exchange	28,576	1,482	234	30,292
Net book value at March 31, 2020	\$ 315,002	\$ 13,754	\$ 1,304	\$ 330,060

(b) Lease liabilities

The leases of vehicles, office premises and equipment comprise only fixed payments over the lease terms. The Company recorded interest expense of \$11,699 on lease liabilities for the three months ended March 31, 2020 (March 31, 2019 - \$7,691). During the three months ended March 31, 2020, the Company also recorded expenses of \$13,032 (March 31, 2019 - \$50,850) related to short-term leases and income of \$8,891 (March 31, 2019 - \$17,280) from sub-leasing ROU assets.

	March 31, 2020	December 31, 2019
Maturity analysis - contractual undiscounted cash flows		
Less than one year	\$ 251,179	\$ 315,112
One to two years	65,557	117,272
Two to three years	10,275	9,408
More than three years	16,715	17,657
Total undiscounted lease liabilities	343,726	459,449
Effect of discounting	(40,815)	(45,842)
Total lease liabilities	\$ 302,911	\$ 413,607
Current	\$ 227,787	\$ 281,151
Non-current	\$ 75,124	\$ 132,456

	Three months ended March 31, 2020	2019
Balance at beginning of period	\$ 413,607	\$ 42,299
IFRS 16 adoption	-	182,184
Cash flows		
Principal payments	(73,257)	(40,201)
Interest payments	(13,141)	(5,872)
Non-cash changes		
Additions	-	77,002
Accretion	11,699	7,691
Change in foreign exchange and other	(35,997)	(2,942)
Total lease liabilities, end of period	\$ 302,911	\$ 260,161

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

9. OTHER LIABILITY

The Company's other liabilities are as follows:

	March 31, 2020	December 31, 2019
OMNI Liability (i)	\$ 18,443,100	\$ 16,898,700
Other (ii)	687,050	649,500
	\$ 19,130,150	\$ 17,548,200

- i. The Company has an option agreement, originally signed in February 2016, with Sociedad Ordinaria de Minas Omni ("OMNI"), Compañía Minera El Alacran S.A.S., CMH Colombia S.A.S. ("CMH"), and Cobre Minerales ("Cobre"), together the "OMNI Parties", to earn a 100% interest in the Alacran copper-gold-silver deposit ("Alacran Deposit") through the acquisition of Cobre which holds the Alacran Deposit ("Option Agreement"). Under the terms of this agreement, the Company agreed to undertake certain exploration commitments and to make certain scheduled cash payments during the exploration phase. On August 30, 2019, the Company advised the OMNI Parties of its intention to exercise its option to acquire a 100% interest in the Alacran Deposit pursuant to the Option Agreement, and is now contractually obligated to make the fifth and final cash payment of US\$13 million ("OMNI Liability") to the OMNI Parties on or before June 30, 2020. At March 31, 2020, the Company has recorded a liability for \$18.44 million (December 31, 2019 - \$16.90 million) and a corresponding non-current other asset for the right to acquire the 100% interest in the Alacran Deposit.
- ii. The other liability relates to subscription agreements entered into with two arm's length parties associated with the acquisition of the Alacran Deposit (Note 10(a)).

10. SHARE CAPITAL

(a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value. At March 31, 2020, the Company had 456,871,130 common shares issued and outstanding (December 31, 2019 – 365,498,594).

On January 17, 2020, Cordoba completed a strategic equity investment totaling gross proceeds of approximately \$10.96 million by JCHX Mining Management Co., Ltd. ("JCHX"). Cordoba issued 91,372,536 common shares to JCHX through a private placement at a price of \$0.12 per share (the "Private Placement"). On closing, JCHX acquired approximately 19.9% of Cordoba's issued and outstanding common shares, and HPX's ownership reduced to approximately 60.2%. In connection with the private placement, the Company incurred share issuance costs of \$125,911.

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

The Subscription Agreements were entered into in connection with Cordoba obtaining an extension on certain obligations due under the Option Agreement and in consideration for work and services provided by the parties for the Company. The Subscription Agreements contemplate a second issuance of common shares in the capital of the Company with a combined value of US\$250,000 to be issued to the Subscribers at the time of the fifth and final option payment to be made pursuant to the Option Agreement, which is due on or before June 30, 2020 (Note 9).

Concurrent to issuance of the First Tranche Shares, on April 28, 2020, Cordoba issued JCHX 928,401 common shares at a price of \$0.0516 per JCHX Share for gross proceeds of approximately \$47,905, pursuant to the terms of a subscription agreement between the Company and JCHX. On closing, JCHX retained its 19.9% interest in Cordoba's issued and outstanding common shares, and HPX's ownership reduced to approximately 59.6%.

(b) Share Purchase Warrants

Share purchase warrants outstanding as of March 31, 2020 and December 31, 2019 are as follows:

Expiry date	March 31, 2020		December 31, 2019	
	Number of average exercise warrants	Weighted price	Number of average exercise warrants	Weighted price
October 19, 2020	26,605,128	\$0.13	26,605,128	\$0.13
February 25, 2021	22,800,000	\$0.12	22,800,000	\$0.12
	49,405,128	\$0.13	49,405,128	\$0.13

11. SHARE-BASED PAYMENTS

(a) Share Purchase Options

The Company has in place a stock option plan (the "Plan"), which allows the Company to issue options to 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

The following is a summary of share purchase options activity for the three months ended March 31, 2020 and 2019:

	Three months ended March 31, 2020		Three months ended March 31, 2019	
	Number of stock options	Weighted average exercise price (\$ per share)	Number of stock options	Weighted average exercise price (\$ per share)
Outstanding, beginning of period	8,604,038	\$ 0.37	9,667,500	\$ 0.38
Granted	-	-	-	-
Exercised	-	-	-	-
Expired/cancelled/forfeited	-	-	-	-
Outstanding, end of period	8,604,038	\$ 0.37	9,667,500	\$ 0.38
Exercisable, end of period	6,982,084	\$ 0.42	6,546,667	\$ 0.47

Exercise price (\$ per share)	Options outstanding		Options exercisable	
	Number of stock options	Weighted average remaining contractual life (years)	Number of stock options	Weighted average remaining contractual life (years)
0.065	461,538	4.39	-	-
0.12	1,125,000	5.65	1,125,000	5.65
0.13	150,000	5.57	150,000	5.57
0.20	3,425,000	2.95	2,283,334	2.95
0.21	825,000	5.16	825,000	5.16
0.58	75,000	2.64	56,250	2.64
0.74	100,000	6.61	100,000	6.61
0.80	1,055,000	4.24	1,055,000	4.24
0.85	1,350,000	6.05	1,350,000	6.05
1.00	37,500	2.33	37,500	2.33
	8,604,038	4.32	6,982,084	4.55

(b) 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 a participant's retirement, the DSUs may be settled with cash or shares of the Company, at the sole 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 and recorded in equity reserves. At March 31, 2020, there were 1,534,614 DSUs outstanding (December 31, 2019 – 1,534,614).

(c) 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 the grant date and recorded in equity reserves. At March 31, 2020, there were 273,338 RSUs outstanding (December 31, 2019 – 273,338).

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(Expressed in Canadian Dollars)

12. EXPLORATION AND EVALUATION EXPENDITURES

For the three months ended March 31, 2020 and 2019, exploration and evaluation ("E&E") expenditure comprises:

	Three months ended March 31,	
	2020	2019
Direct exploration costs	\$ 1,308,877	\$ 688,345
Indirect exploration costs	1,006,028	376,068
Site general and administration ("G&A") costs	733,598	511,112
E&E acquisition costs	-	25,469
Share-based payments	11,277	26,386
Total exploration and evaluation expenditures	\$ 3,059,780	\$ 1,627,380

E&E expenditures are allocated to the following projects:

	Colombia		USA		Other		Total	
	Three months ended		Three months ended		Three months ended		Three months ended	
	March 31,		March 31,		March 31,		March 31,	
	2020	2019	2020	2019	2020	2019	2020	2019
Direct exploration costs	\$ 1,065,691	\$ 261,559	\$ 243,186	\$ 426,786	\$ -	\$ -	\$ 1,308,877	\$ 688,345
Indirect exploration costs	963,717	303,225	42,311	72,843	-	-	1,006,028	376,068
Site G&A costs	717,168	480,921	16,430	30,191	-	-	733,598	511,112
E&E acquisition costs	-	13,420	-	12,049	-	-	-	25,469
Share-based payments	-	-	-	-	11,277	26,386	11,277	26,386
Total E&E expenditures	\$ 2,746,576	\$ 1,059,125	\$ 301,927	\$ 541,869	\$ 11,277	\$ 26,386	\$ 3,059,780	\$ 1,627,380

13. CORPORATE ADMINISTRATION

For the three months ended March 31, 2020 and 2019, corporate administration comprises:

	Three months ended March 31,	
	2020	2019
Salaries and benefits	\$ 244,069	\$ 258,173
Share-based payments	36,840	80,721
Office admin	28,898	24,194
Professional Fees	43,339	72,225
Insurance	33,051	9,911
Travel	2,121	30,765
Investor relations	10,144	35,195
Compliance and regulatory	34,670	13,229
Other	25,058	14,406
Total corporate administration	\$ 458,190	\$ 538,819

14. NON-CONTROLLING INTEREST

In May 2019, the Company acquired 25% of MMDEX LLC ("MMDEX"). The acquisition was accounted for as an asset acquisition as the activities of MMDEX did not meet the definition of a business under IFRS 3, *Business Combinations*. Management's assessment at the time of acquisition concluded that Cordoba controls MMDEX. The Company has consolidated MMDEX recognizing a 75% non-controlling interest from May 2019 onwards.

The carrying value of MMDEX's assets and liabilities was \$Nil as at March 31, 2020 (December 31, 2019 - \$Nil). MMDEX's revenue and net loss for the three months ended March 31, 2020 was \$Nil and \$301,927, respectively, and the Company recognized \$226,446 as non-controlling interest.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS

The Company had transactions during the three months ended March 31, 2020 and 2019 with related parties consisting of directors, officers, HPX, the OMNI Parties and Computational Geosciences Inc. ("CGI"), which are both members of the same HPX group, a company that is owned partially by Cordoba, and a company that is controlled by a closely related family member of one of Cordoba's non-independent directors. These related party transactions, which are described below, are in the normal course of operations and are measured at the exchange amount of the services rendered.

(a) Expenses

During the three months ended March 31, 2020, the Company incurred approximately \$51,000 (March 31, 2019 - \$4,000) in E&E and corporate administration expenditures with HPX. The costs incurred consist of technical and managerial services provided for the Company's exploration projects, as well as corporate travel expenditures. Additionally, during the three months ended March 31, 2020, the Company charged HPX approximately \$23,000 (March 31, 2019 - \$25,000), relating to E&E salaries & expenses.

During the three months ended March 31, 2020, the Company incurred approximately \$276,000 (March 31, 2019 - \$156,000) in E&E and corporate administration expenditures with Global Mining Management Corporation ("GMM"), a private company based in Vancouver, Canada. Cordoba held 9.1% of GMM's common shares at March 31, 2020 (December 31, 2019 - 9.1%). 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 months ended March 31, 2020, the Company incurred approximately \$18,000 (March 31, 2019 - \$Nil) in Directors Fees.

During the three months ended March 31, 2020, the Company incurred approximately \$50,000 (March 31, 2019 - \$Nil) in technical E&E expenditures provided by CGI, a private company based in Vancouver, Canada, which is also a member of the same HPX group.

During the three months ended March 31, 2020, the Company incurred approximately \$30,000 (March 31, 2019 - \$Nil) in professional consulting services from Vagon Capital SAS, a company that is controlled by a close family member of one of the Company's non-independent directors.

(b) Deposits

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(c) Amounts due to related parties

	March 31, 2020	December 31, 2019
GMM payables and accrued liabilities (i)	\$ 147,463	\$ 134,582
HPX payables and accrued liabilities (i)	276,893	101,578
CGI payables and accrued liabilities	50,000	-
Payables to Directors of the Company	18,000	-
HPX short-term loan (ii)	-	3,330,930
Total due to related parties	\$ 492,356	\$ 3,567,090

- i. The payables and accrued liabilities owing to GMM and HPX are unsecured, non-interest-bearing and payable on demand.
- ii. On September 25, 2019 the Company arranged short-term loan financing from HPX under the terms of an Unsecured Promissory Note Agreement, which has been provided in the form of a grid promissory note ("Promissory Note"). The Promissory Note had a maturity date of December 31, 2019, and an interest rate of 10% per annum, with interest accruing daily and all interest compounding only at maturity. The interest rate increased to 12% per annum as the Company did not repay the amount owing upon the maturity date. In January 2020, the Company completed a final draw-down on the Promissory Note of approximately US\$192,000 (\$251,000). Upon closing of the Private Placement with JCHX in January 2020 (Note 10(a)), the Company repaid the total amount owing on the Promissory Note, which consisted of principal and interest of approximately US\$2.77 million (\$3.62 million). Aggregate interest expense on the Promissory Note of \$22,879 was recorded in the statements of loss and comprehensive loss for the three months ended March 31, 2020 (March 31, 2019 - \$Nil).

(d) 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 March 31, 2020, the lease liability for the vehicle was \$36,899 (December 31, 2019 - \$35,158) with a remaining lease term of 56 months and an interest rate of 11.29%.

(e) Other liability

At March 31, 2020, the other liability includes \$18.44 million (December 31, 2019 - \$16.90 million) which is due to CMH, one of the OMNI Parties (Note 9).

(f) 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. During the three months ended March 31, 2020, key management compensation included salaries and benefits of \$176,063 (March 31, 2019 - \$245,594).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

16. SEGMENTED INFORMATION

The Company operates in three geographically based industry segments, Canada, Colombia and the United States. The reported loss from operations for the three months ended March 31, 2020 and 2019, respectively, in each segment is as follows:

	Colombia		USA		Canada		Total	
	Three months ended March 31,		Three months ended March 31,		Three months ended March 31,		Three months ended March 31,	
	2020	2019	2020	2019	2020	2019	2020	2019
E&E expenditures	\$ 2,746,576	\$ 1,059,125	\$ 301,927	\$ 541,869	\$ 11,277	\$ 26,386	\$ 3,059,780	\$ 1,627,380
Corporate administration	-	-	3,750	8,823	454,440	529,996	458,190	538,819
Amortization	84,099	41,739	2,106	2,082	8,301	25,231	94,506	69,052
Loss from operations	\$ 2,830,675	\$ 1,100,864	\$ 307,783	\$ 552,774	\$ 474,018	\$ 581,613	\$ 3,612,476	\$ 2,235,251

The Company's non-current assets at March 31, 2020 and December 31, 2019 are located in Colombia, the United States and at the corporate office in Canada, as follows:

	Colombia		USA		Canada		Total	
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
	2020	2019	2020	2019	2020	2019	2020	2019
Colombian VAT receivable	\$ 1,642,831	\$ 1,629,508	\$ -	\$ -	\$ -	\$ -	\$ 1,642,831	\$ 1,629,508
Property, plant and equipment	1,348,995	1,276,780	32,579	31,864	-	8,301	1,381,574	1,316,945
Financial assets	-	-	-	-	128,571	185,714	128,571	185,714
Other asset	18,443,100	16,898,700	-	-	-	-	18,443,100	16,898,700
Non-current assets	\$ 21,434,926	\$ 19,804,988	\$ 32,579	\$ 31,864	\$ 128,571	\$ 194,015	\$ 21,596,076	\$ 20,030,867

17. FINANCIAL INSTRUMENTS

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value on a recurring basis, whether changes in fair value are recognized at fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI").

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

	March 31, 2020	December 31, 2019
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 4,183,469	\$ 247,160
Other receivables	29,549	19,334
Deposits	714,617	196,101
Financial assets measured at FVTOCI		
Investments	128,571	185,714
Total financial assets	\$ 5,056,206	\$ 648,309
Financial liabilities measured at amortized cost		
Accounts payable and accrued liabilities	\$ 880,926	\$ 676,007
Due to related parties	492,356	3,567,090
Lease liability	302,911	413,607
Other liability	19,130,150	17,548,200
Total financial liabilities	\$ 20,806,343	\$ 22,204,904

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

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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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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.

18. CONTINGENCIES

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. We cannot reasonably predict the likelihood or outcome of the lawsuits.

19. SUBSEQUENT EVENTS

(a) Rights offering

On May 15, 2020, the Company announced that it will conduct an offering (the "Rights Offering") of rights to acquire common shares of the Company ("Common Shares") to raise gross proceeds of \$21.5 million.

Pursuant to the Rights Offering, eligible shareholders of record on June 1, 2020 will receive 0.93171762634 of one right for every one Common Share held. All fractional rights will be rounded down to the nearest whole number of rights (each whole right, a "Right"). Each Right will entitle the holder to subscribe for one Common Share at a subscription price of \$0.05 per Common Share (the "Basic Subscription Privilege"). Shareholders who fully exercise their Rights under the Basic Subscription Privilege will also be entitled to subscribe for additional Common Shares, on a pro rata basis, if available as a result of unexercised Rights prior to the Expiry Time (the "Additional Subscription Privilege"), subject to certain limitations as set out in the Company's Rights Offering Circular.

The Rights will be listed and posted for trading on the TSX Venture Exchange under the symbol "CDB.RT" on a "when issued" basis commencing on May 29, 2020 and will expire at 5:00 p.m. (Vancouver time) (the "Expiry Time") on June 25, 2020, after which time unexercised Rights will be void and of no value.

The Company currently has 461,513,218 Common Shares issued and outstanding. If all Rights issued under the Rights Offering are exercised, an additional 430,000,000 Common Shares would be issued.

In connection with the Rights Offering, the Company has entered into a standby commitment agreement (the "Standby Commitment Agreement") with HPX (the "Standby Purchaser"), the Company's controlling shareholder. The Standby Purchaser has agreed, subject to certain terms and conditions, to exercise its Basic Subscription Privilege in respect of any Rights it

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holds, and, in addition thereto, to acquire any additional Common Shares available as a result of any unexercised Rights under the Rights Offering excluding those falling within the JCHX commitment (the "Standby Commitment"), such that the Company will, subject to the terms of the Standby Commitment Agreement and completion of the Basic Subscription Privilege of JCHX as noted below, be guaranteed to issue 430,000,000 Common Shares in connection with the Rights Offering for aggregate gross proceeds of \$21.5 million.

In consideration for the standby commitment, HPX will receive 5-year warrants to purchase 25% of the Common Shares HPX has agreed to acquire under the standby commitment (not including any Common Shares acquired pursuant to its Basic Subscription Privilege or Additional Subscription Privilege), at an exercise price equal to \$0.075 per Common Share.

JCHX, an insider of the Company who controls 19.99% of the Common Shares, has entered into a commitment agreement with the Company dated May 15, 2020 pursuant to which JCHX has agreed to exercise the Basic Subscription Privilege under its Rights to acquire 85,998,410 Rights Shares and maintain its shareholdings in the Company at 19.99% upon completion of the Rights Offering providing gross proceeds to the Company of approximately \$4.3 million.

The Company intends to use the net proceeds of the Rights Offering to complete the final remaining payment of US\$13.0 million due no later than June 30, 2020 to the OMNI Parties and will vest a 100% interest in the Alacran mineral title (Note 9). Remaining proceeds will be used to cover general working capital expenses until the Alacran Pre-Feasibility Study can be re-started following lifting of restrictions from the Government-mandated COVID-19 lockdown in Colombia.

(b) Share-based payments

On April 17, 2020, the Company announced it had granted an aggregate of 818,552 DSUs and 1,250,000 stock options to non-executive directors pursuant to the Company's Deferred Share Unit Plan and Stock Option Plan.

The stock options are exercisable at a price of \$0.08 per share and will vest as to one third on each of April 16, 2021, April 16, 2022 and April 16, 2023. The stock options expire on April 16, 2025.