CORDOBA MINERALS CORP.

Consolidated Financial Statements

December 31, 2019

Deloitte.

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Independent Auditor's Report

To the Shareholders and the Board of Directors of Cordoba Minerals Corp.

Opinion
We have audited the consolidated financial statements of Cordoba Minerals Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern
We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $10.63 million during the year ended December 31, 2019 and, as of that date, the Company had consolidated cash of $247,000 to apply against current liabilities of $22.07 million. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is David Macdonald.

/s/ Deloitte LLP

Chartered Professional Accountants

Vancouver, British Columbia

March 24, 2020

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	Notes		December 31, 2019		December 31, 2018
ASSETS					
Current assets					
Cash and cash equivalents	6	**$**	**247,160**	$	747,983
Other receivables			**44,393**		24,832
Prepaid expenses and deposits	7,19		**567,593**		468,787
Total current assets			**859,146**		1,241,602
Non-current assets					
Colombian value added tax receivable	8		**1,629,508**		1,311,004
Property, plant and equipment	9		**1,316,945**		1,080,394
Financial assets	10		**185,714**		200,000
Other asset	12*(i)*		**16,898,700**		-
TOTAL ASSETS		**$**	**20,890,013**	$	3,833,000
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**676,007**	$	549,821
Due to related parties	19		**3,567,090**		225,701
Lease liability	11		**281,151**		5,377
Other liability	12, 19		**17,548,200**		-
Total current liabilities			**22,072,448**		780,899
Non-current liabilities					
Lease liability	11		**132,456**		36,922
TOTAL LIABILITIES			**22,204,904**		817,821
SHAREHOLDERS' (DEFICIT) EQUITY					
Share capital	13		**151,885,933**		146,258,230
Equity reserves	13, 14		**17,186,491**		16,369,286
Accumulated other comprehensive loss			**(253,648)**		(108,001)
Accumulated deficit			**(169,932,318)**		(159,504,336)
Shareholders' (deficit) equity attributable to Cordoba Minerals Corp.			**(1,113,542)**		3,015,179
Non-controlling interest	17		**(201,349)**		-
TOTAL SHAREHOLDERS' (DEFICIT) EQUITY			**(1,314,891)**		3,015,179
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**20,890,013**	$	3,833,000

Description of business and going concern (Note 1)
Subsequent event (Note 25)

Approved and authorized for issue on behalf of the Board on March 24, 2020:

/s/ Eric Finlayson — Eric Finlayson, Director

/s/ William Orchow — William Orchow, Director

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Notes	Year ended December 31, 2019	2018
Operating expenses			
Exploration and evaluation expenditures	16	**$ 8,176,864**	$ 7,580,140
Corporate administration	15	**2,023,356**	2,231,909
Amortization	9	**357,311**	69,205
Loss from operations		**10,557,531**	9,881,254
Other (income) expense			
Other income		**(75,185)**	(47,803)
Interest expense		**217,688**	66,371
Foreign exchange (gain) loss		**(70,703)**	22,019
Loss before income taxes		**10,629,331**	**9,921,841**
Income taxes	23	**-**	-
Net loss for the year		**$ 10,629,331**	$ 9,921,841
Other comprehensive loss (income)			
Items that may be reclassified subsequently to loss:			
Currency translation adjustment		**159,932**	(151,885)
Items that will not be reclassified subsequently to loss:			
Change in fair value of marketable securities	10	**(14,285)**	-
Total other comprehensive loss (income)		**145,647**	(151,885)
Total comprehensive loss for the year		**$ 10,774,978**	$ 9,769,956
Net loss attributable to:			
Owners of Cordoba Minerals Corp.		**$ 10,427,982**	$ 9,921,841
Non-controlling interest	17	**201,349**	-
Net loss for the year		**$ 10,629,331**	$ 9,921,841
Total comprehensive loss attributable to:			
Owners of Cordoba Minerals Corp.		**$ 10,573,629**	$ 9,769,956
Non-controlling interest	17	**201,349**	-
Total comprehensive loss for the year		**$ 10,774,978**	$ 9,769,956
Loss per share (basic and diluted)		**$ 0.03**	$ 0.04
Weighted average number of basic and diluted common shares outstanding		**312,626,399**	230,084,214

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Notes	Year ended December 31, 2019	2018
Operating activities			
Net loss for the year		**$ (10,629,331)**	$ (9,921,841)
Adjustments for non-cash items:			
Share-based payments	15,16	**372,472**	671,216
Amortization	9	**357,311**	69,205
Exploration expenditure paid with shares		**626,088**	560,292
Interest expense paid with shares		**100,381**	67,174
Interest expense		**117,307**	-
Other expense		**28,571**	-
Gain on disposition of property, plant and equipment		**(8,340)**	-
Unrealized foreign exchange (gain) loss		**(130,406)**	101,774
Changes in non-cash working capital items:			
Receivables		**(415,990)**	(95,922)
Prepaid expenses and deposits		**(98,806)**	355,432
Accounts payable and accrued liabilities		**126,186**	83,816
Due to related parties		**2,557**	241,557
Other liability		**664,750**	-
Cash used in operating activities		**(8,887,250)**	(7,867,297)
Investing activities			
Disposition of property, plant and equipment		**38,474**	-
Acquisition of property, plant and equipment		**(52,788)**	(94,443)
Other investment		**-**	(200,000)
Cash used in investing activites		**(14,314)**	(294,443)
Financing activities			
Proceeds from short-term loan from related party	19	**6,534,717**	2,236,690
Issuance of shares and warrants, net of issue costs		**2,192,732**	4,243,233
Share issuance cost on conversion of related party debt		**(23,345)**	-
Settlement of deferred share units		**(539)**	-
Payment of lease liabilities	11	**(243,941)**	-
Interest paid		**(59,840)**	-
Exercise of stock options		**-**	42,000
Cash from financing activities		**8,399,784**	6,521,923
Effect of changes in foreign exchange rates on cash and cash equivalents		**957**	(26,635)
Decrease in cash and cash equivalents		**(500,823)**	(1,666,452)
Cash and cash equivalents, beginning of year	6	**747,983**	2,414,435
Cash and cash equivalents, end of year	6	**$ 247,160**	$ 747,983

Supplemental cash flow information (Note 18)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIT) EQUITY

(Expressed in Canadian Dollars)

			Equity reserves							
	Number of common shares	Share capital	Warrants reserve	Broker warrants reserve	Share-based payments reserve	Accumulated other comprehensive (loss) income	Accumulated deficit	Shareholders' (deficit) equity attributable to owners of Cordoba Minerals Corp.	Non-controlling interest	Total
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 year	-	-	-	-	-	-	**(10,427,982)**	**(10,427,982)**	**(201,349)**	**(10,629,331)**
Settlement of Deferred Share Units (Note 14(b))	**141,072**	**99,961**	-	-	**(100,500)**	-	-	**(539)**	-	**(539)**
Settlement of Restricted Share Units (Note 14(c))	**278,334**	**185,651**	-	-	**(185,651)**	-	-	-		-
Share-based payments	-	-	-	-	**372,472**	-	-	**372,472**	-	**372,472**
Shares issued for private placement (Note 13)	**22,800,000**	**1,520,029**	**759,971**	-	-	-	-	**2,280,000**	-	**2,280,000**
Shares issued for debt and interest settlement (Note 13(a))	**65,059,800**	**3,903,588**	-	-	-	-	-	**3,903,588**		**3,903,588**
Share issuance costs	-	**(81,526)**	**(29,087)**	-	-	-	-	**(110,613)**	-	**(110,613)**
Other comprehensive loss	-	-	-	-	-	**(145,647)**	-	**(145,647)**	-	**(145,647)**
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)**
Balance at December 31, 2017	206,438,643	$ 139,615,465	$ 10,683,695	$ 48,149	$ 4,459,603	$ (259,886)	$ (149,582,495)	$ 4,964,531	$ -	$ 4,964,531
Net loss for the year	-	-	-	-	-	-	(9,921,841)	(9,921,841)	-	(9,921,841)
Settlement of Deferred Share Units	50,000	33,500	-	-	(33,500)	-	-	-	-	-
Settlement of Restricted Share Units	283,328	188,997	-	-	(188,997)	-	-	-	-	-
Exercise of stock options - cash proceeds	275,000	42,000	-	-	-	-	-	42,000	-	42,000
Fair value of stock options exercised	-	42,750	-	-	(42,750)	-	-	-	-	-
Share-based payments	-	-	-	-	671,216	-	-	671,216	-	671,216
Shares issued for private placement	42,894,747	3,526,210	778,200	-	-	-	-	4,304,410	-	4,304,410
Shares issued for loan and interest settlement	21,941,567	2,303,863	-	-	-	-	-	2,303,863	-	2,303,863
Shares issued for option payment settlement	5,336,103	560,292	-	-	-	-	-	560,292	-	560,292
Share issuance costs	-	(54,847)	(6,330)	-	-	-	-	(61,177)	-	(61,177)
Other comprehensive income	-	-	-	-	-	151,885	-	151,885	-	151,885
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

See accompanying notes to the consolidated financial statements.

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 December 31, 2019, High Power Exploration Inc. ("HPX"), the Company's privately owned parent, held 75.3% (December 31, 2018 – 75.0%) 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 consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and satisfaction of liabilities in the normal course of business.

For the year ended December 31, 2019, the Company had no operating revenue and incurred a net loss of $10.63 million (December 31, 2018 - $9.92 million). At December 31, 2019, the Company had consolidated cash of $247,000 (December 31, 2018 - $748,000) to apply against current liabilities of $22.07 million (December 31, 2018 - $781,000).

At December 31, 2019, the Company believes that it has adequate resources to maintain its minimum obligations, including general corporate activities, based on its cash position and ability to pursue additional sources of financing, including equity placements.

The Company currently has no source of operating cash flow, and has no assurance that additional funding will be available to it for additional exploration 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 (Note 25). 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 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. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, effective as of December 31, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except as disclosed in these accounting policies.

(b) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency (the currency of the primary economic environment in which the entity operates). Each subsidiary of the Company determines its own functional currency, and items included in the financial statements of each subsidiary are measured using that functional currency. The functional currency of Cordoba's foreign exploration subsidiaries is the US dollar.

The presentation currency of the group is the Canadian dollar. All financial information has been presented in Canadian dollars in these consolidated financial statements, except when otherwise indicated.

References to "$" are to Canadian dollars.

(c) Change in accounting policy

Effective January 1, 2019, the Company adopted IFRS 16, *Leases* ("IFRS 16") using the modified retrospective application method, where the 2018 comparatives have not been restated.

IFRS 16 introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset ("ROU asset") and a lease liability at the lease commencement for all leases, except for short-term leases (lease terms of 12 months or less) and leases of low value assets. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

In applying IFRS 16 for all leases, except as noted above, the Company (i) recognizes the ROU asset and lease liabilities in the statements of financial position, initially measured at the present value of future lease payments; (ii) recognizes the depreciation of ROU assets and interest on lease liabilities in the consolidated statements of loss and comprehensive loss; and (iii) separates the total amount of cash paid into a principal portion and an interest portion in the consolidated statements of cash flows. For short-term leases and leases of low value assets, the Company has opted to recognize a lease expense on a straight-line basis, and this expense is presented within operating expenses in the consolidated statements of loss and comprehensive loss.

The Company has made use of the following practical expedients available on transition to IFRS 16:

(Expressed in Canadian Dollars)

• Recognize ROU assets at the amount of the lease liability for each lease at the date of initial application;

• Apply the recognition exemptions for low value leases and leases that expire within 12 months of the date of initial application;

• Accounting for non-lease components and lease components as a single lease component.

In transitioning to IFRS 16, the Company analyzed its contracts to identify whether they are or contain a lease arrangement. This analysis identified contracts containing leases that resulted in the recognition of an increase of $182,184 of ROU assets and lease liabilities on initial application of IFRS 16. The incremental borrowing rate for lease liabilities recognized was 14%.

The operating lease obligations as at December 31, 2018 are reconciled as follows to the recognized lease liabilities as at January 1, 2019:

		January 1, 2019
Operating lease obligation as at December 31, 2018	$	192,573
Other		6,254
Leases identified as a result of IFRS 16 adoption		198,827
Effect of discounting at the incremental borrowing rate		(16,643)
Lease liabilities arising on initial adoption of IFRS 16		182,184
Lease liabilities from finance leases previously recorded		42,299
Total lease liability at January 1, 2019	**$**	**224,483**

(d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from the entity's activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Where the Company's interest in a subsidiary is less than 100%, the interest attributable to non-controlling shareholders is recognized as non-controlling interest.

Non-controlling interest represents the equity in a subsidiary not attributable, directly and indirectly, to the Company and is presented as a separate component of equity. Subsequent to the acquisition date, adjustments are made to the carrying amount of non-controlling interests for the non-controlling interests' share of changes to the subsidiary's equity. Losses within a subsidiary continue to be attributed to non-controlling interests even if that results in a deficit balance. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amounts of the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

(Expressed in Canadian Dollars)

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Company.

At December 31, 2019 and 2018, the Company's significant subsidiaries are as follows:

Name of signficiant subsisidiaries	Place of incorporation or registration	Method of Accounting at December 31, 2019	2018	Effective ownership interest at December 31, 2019	2018	Principal Activity
Cordoba Holdings Corp.	Canada	Consolidation	Consolidation	100%	100%	Holding company
Cordoba Minerals USA Corp.	USA	Consolidation	Consolidation	100%	100%	Exploration company
MMDEX LLC	USA	Consolidation	n/a	25%	0%	Exploration company
Sabre Metals Master Ltd.	Bermuda	Consolidation	Consolidation	100%	100%	Holding company
Cordoba Minerals Holdings Ltd.	Barbados	Consolidation	Consolidation	100%	100%	Holding company
Minerales Cordoba S.A.S.	Colombia	Consolidation	Consolidation	100%	100%	Exploration company
Exploradora Cordoba S.A.S.	Colombia	Consolidation	Consolidation	100%	100%	Exploration company

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

(e) Business combinations

Acquisitions of subsidiaries which represent business combinations are accounted for using the acquisition method. The consideration transferred is measured at the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets and liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date, except for certain assets and liabilities which are recognized and measured in accordance with the applicable IFRS guidance.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets and liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Transaction costs, other than those associated with the issuance of debt or equity securities that the Company incurs in connection with a business combination, are expensed as incurred.

(f) Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate on the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the exchange rate on the date when the fair value was measured. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rates at the date of the statement of financial position. The income and expenses of foreign operations are translated into Canadian dollars at the exchange rates prevailing on the transaction dates.

Foreign currency differences are recognized in other comprehensive income and accumulated in other reserves within equity, except to the extent that the translation difference is allocated to non-controlling interests. On the disposal of a foreign operation, such exchange differences are reclassified from other reserves to profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprise demand deposits held with banks and short-term highly liquid investments that are readily convertible into known amounts of cash with original terms of three months or less. The Company's cash and cash equivalents are held in banks in Canada and Colombia.

(h) Financial instruments

Financial instruments are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value, net of directly attributable transaction costs, except for financial instruments classified as fair value through profit or loss ("FVTPL"), where transaction costs are expensed in the period in which they are incurred. Financial instruments are subsequently classified and measured at: (i) amortized cost; (ii) fair value through profit or loss; (iii) or fair value through other comprehensive income, as appropriate. The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets

(i) Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVTOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVTOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVTPL are measured at fair value with changes in fair value recognized in the consolidated statements of loss.

(ii) Financial assets at FVTOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the consolidated statements of loss. The election is available on an investment-by-investment basis. Investments in Bell Copper common shares are designated as financial assets at FVTOCI.

(iii) Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash, other receivables and deposits are classified as and measured at amortized cost.

Financial liabilities

Financial liabilities, including accounts payable and accrued liabilities, due to related parties, lease liability and other liability are recognized initially at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated statements of loss when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities, due to related parties, lease liability and other liability are classified as and measured at amortized cost.

Derivative instruments

Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives are recorded in the consolidated statements of loss. Investments in Bell Copper warrants were accounted for as derivative instruments.

Fair values

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis; and pricing models.

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

- Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

A loss allowance for expected credit losses is recognized for financial assets measured at amortized cost. At each balance sheet date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to investment in equity instruments.

The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

Derecognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the

Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate.

A financial liability is derecognised when the associated obligation is discharged, canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in net loss.

(i) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any provision for impairment. Cost includes the purchase price, any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the present value of the estimated costs of decommissioning and restoration, if applicable. Costs relating to major upgrades are included in property, plant and equipment if it is probable that future economic benefits associated with the expenditure will flow to the Company.

Depreciation on property, plant and equipment is recognized on a declining balance basis to write down the cost or valuation less estimated residual value of equipment. The rates generally applicable are:

● Computer equipment	30% declining-balance
● Furniture and equipment	20%-50% declining-balance
● Vehicles	20% declining balance
● Leasehold improvements	straight-line over the term of lease
● Right-of-use assets	straight-line over the shorter of the lease term or the useful life of the underlying asset

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the equipment and are recognized in profit or loss within 'other income' or 'other expenses', respectively.

(j) Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

The Company recognizes a ROU asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in the consolidated statements of loss and comprehensive loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability and makes a corresponding adjustment to the related ROU asset whenever:

- the lease term has changed;
- the lease payments change due to changes in an index;
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated amortization and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

ROU assets are included in property, plant and equipment, and the lease liability is presented separately in the consolidated statements of financial position.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statements of loss and comprehensive loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not separated out non-lease components.

(k) Exploration and evaluation costs

Acquisition costs for exploration and evaluation assets and exploration expenditures, net of recoveries, are charged to operations as incurred. Acquisition costs may include cash consideration, the value of common shares issued based on fair values, and the fair value of share purchase warrants and options issued based on amounts determined using the Black-Scholes option pricing model, for mineral property interests pursuant to the terms of the agreement.

After a property is determined by management to be commercially feasible, development expenditures on the property are capitalized.

The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

Exploration and evaluation assets acquired under an option agreement where payments are made at the sole discretion of the Company are charged to operations at the time of payment. Property interests granted to others under an option agreement where payments to be made to the Company are at the sole discretion of the optionee, are recorded as recoveries at the time of receipt. Where recoveries exceed costs, such amounts are recognized in profit or loss.

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

(l) Impairment of non-financial assets

Impairment tests on non-financial assets are performed whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to dispose, the asset is written down accordingly. This is determined on an asset-by-asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. If this is the case, individual assets are grouped together into a cash-generating unit ("CGU") and the impairment test is carried out on the asset's CGU, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss. An assessment is made at each reporting date as to whether there is any indication of impairment or a change in events or circumstances relating to a previously recognized impairment. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset or CGU is increased to its newly determined recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset or CGU in prior years.

(m) Provisions

(i) Rehabilitation Provision

The Company recognizes constructive, statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reliable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

As at December 31, 2019 and 2018, the exploration and evaluation rehabilitation provision is $Nil.

(ii) Other Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

(n) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit"), and entitle the warrant holder to exercise the warrants for a stated price for a stated number of common shares in the Company. The fair value of the components of the units sold are measured using the relative fair value approach, based on the calculated fair value of the stand-alone shares through reference to the quoted market price at the completion of the financing and the fair value of the stand-alone warrant, using the Black-Scholes option pricing model.

(o) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to employees or others providing similar services, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received or at the fair value of the equity instruments issued (if it is determined the fair value of goods or services cannot be reliably measured), and are recorded at the date the goods or services are received.

All equity-settled share-based payments are reflected in other equity reserve, until exercised. Upon exercise, shares are issued and the amount reflected in other equity reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(p) Operating segments

An operating segment is a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are regularly reviewed by the entity's management, and (iii) for which discrete financial information is available. The Company has three operating segments being the acquisition, exploration and development of mineral properties in Colombia and the United States and the Company's head office, which is located in Vancouver, Canada.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of operating segments, has been identified as the Chief Executive Officer ("CEO") of the Company.

(q) Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive equity instruments are excluded from the loss per share calculation, as the effect would be anti-dilutive. Basic and diluted loss per share is the same for the years presented.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(r) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit or other current tax activities, which differs from profit or loss in the consolidated financial statements. Calculation of current tax expense is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it is not recognized in the consolidated financial statements.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

(s) Comparative figures

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

4. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Company has not early adopted any amendment, standard or interpretation that has been issued by the IASB but is not yet effective.

In October 2018, the IASB issued amendments to IFRS 3 – Definition of a Business which:

- Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;

- Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- Add an option concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020, and to asset acquisitions that occurred on or after the beginning of that period. Earlier application is permitted. The Company does not expect any material impact upon adoption.

There are no other new or revised IFRS standards and interpretations that are not yet effective, that would be expected to have a material impact on the Company.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the process of applying the Company's accounting policies, which are described in Note 3 to the consolidated financial statements, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The most significant areas of judgments made by management are as follows:

(a) Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year as they fall due, involves judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).

(b) Determining whether a contract contains a lease

In accordance with IFRS 16, the Company has to assess whether or not a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(c) Determination of control of subsidiaries and joint arrangements

Judgment is required to determine when the Company has control of subsidiaries or joint control of joint arrangements. This requires an assessment of the relevant activities of the investee, being those that significantly affect the investee's returns, including operating and capital expenditure decision-making, financing of the investee, and the appointment, remuneration and termination of key management personnel; and when the decisions in relation to those activities are under the control of the Company or require unanimous consent from the investors. Judgment is also required when determining the classification of a joint arrangement as a joint venture or a joint operation through an evaluation of the rights and obligations arising from the arrangement. Changes to the Company's access to those rights and obligations may change the classification of that joint arrangement.

In May 2019, the Company acquired a 25% interest in MMDEX LLC (“MMDEX”), and at that time, it was determined that the Company had acquired control of the entity. The assessment of the relevant facts and circumstances leading to that conclusion are disclosed in Note 17.

(d) Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, the Company has determined that its functional currency is the Canadian dollar (Note 3(b)).

The functional currency of each of the Company’s subsidiaries is the currency of the primary economic environment in which the entity operates.

Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

The most significant estimates made by management are as follows:

(a) Valuation of share-based payments, derivative assets and share purchase warrants

The Company applies the Black-Scholes option pricing model to determine the fair value of equity-settled share-based payments, derivative assets and share purchase warrants. Option pricing models require the input of subjective assumptions, including the expected share price volatility and expected life of the options (Notes 13(b), 14). Changes in these assumptions can materially affect the fair value estimate, so the existing models do not necessarily provide a reliable measure of the fair value, which may impact the Company’s net loss and equity reserves.

(b) Determination of useful lives of property, plant and equipment and the related depreciation

Depreciation expenses are allocated based on estimated lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statement of loss and comprehensive loss on a prospective basis.

(c) Discount rate used to determine lease liabilities

Significant assumptions are required to be made when management determines Company’s incremental borrowing rate. The incremental borrowing rate is used to present value the future lease payments and any changes in the estimated rate would have an impact on the lease liability, ROU assets, depreciation expense and interest expense.

(d) Recognition of tax assets

The Company incurs indirect taxes, including value-added tax, on purchases of goods and services. Indirect tax balances are recorded at their estimated recoverable amounts within current or long-term assets, net of provisions, and reflect the Company’s best estimate of their recoverability under existing tax rules in the respective jurisdictions in which they arise.

(Expressed in Canadian Dollars)

6. CASH AND CASH EQUIVALENTS

		December 31, 2019		December 31, 2018
Cash held in bank accounts	**$**	**247,160**	$	62,258
Term deposits		**-**		685,725
Total cash and cash equivalents	**$**	**247,160**	$	747,983

7. PREPAID EXPENSES AND DEPOSITS

		December 31, 2019		December 31, 2018
Prepaid Insurance	**$**	**102,968**	$	28,712
Deposits (Note 19(b))		**196,101**		203,531
Deferred financing expenses		**99,318**		-
Other		**169,206**		236,544
Total prepaid expenses and deposits	**$**	**567,593**	$	468,787

8. 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.

(Expressed in Canadian Dollars)

9. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Furniture and equipment	Vehicles	Land	Right-of-use assets (Note 11(a))	Total
Cost						
Balance - December 31, 2017	$ 109,019	$ 205,261	$ 67,961	$ 664,560	$ -	$ 1,046,801
Additions	40,217	53,805	42,721	-	-	136,743
Write-offs and disposals	(6,090)	(1,239)	-	-	-	(7,329)
Foreign exchange	11,259	17,759	10,494	57,663	-	97,175
Balance - December 31, 2018	**154,405**	**275,586**	**121,176**	**722,223**	**-**	**1,273,390**
Impact of IFRS 16 adoption (Note 3(c))	**-**	**-**	**(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**
Accumulated amortization						
Balance - December 31, 2017	$ 52,991	$ 58,727	$ (2,801)	$ -	$ -	$ 108,917
Charge for the year	23,926	23,297	21,982	-	-	69,205
Write-offs and disposals	(2,506)	(640)	-	-	-	(3,146)
Foreign exchange	6,506	5,987	5,527	-	-	18,020
Balance - December 31, 2018	**80,917**	**87,371**	**24,708**	**-**	**-**	**192,996**
Impact of IFRS 16 adoption (Note 3(c))	**-**	**-**	**(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**
Net book value						
Balance - December 31, 2018	$ 73,488	$ 188,215	$ 96,468	$ 722,223	$ -	$ 1,080,394
Balance - December 31, 2019	**$ 89,034**	**$ 148,372**	**$ 11,765**	**$ 687,676**	**$ 380,098**	**$ 1,316,945**

10. FINANCIAL ASSETS

On August 27, 2018, the Company, through its wholly-owned subsidiary Cordoba Minerals USA Corp., entered into a joint venture and earn-in agreement (the “Joint Venture Agreement”) with Bell Copper Corporation (TSXV: BCU) (“Bell Copper”) and certain of its wholly-owned subsidiaries, to explore the Perseverance porphyry copper project located in northwestern Arizona, USA (the “Perseverance Project”).

Pursuant to the terms of the Joint Venture Agreement, and as part of the initial commitment to the project, Cordoba subscribed for 2,857,143 units of Bell Copper on a private placement basis at a price of $0.07 per unit. Each unit consisted of one common share of Bell Copper and one common share purchase warrant, with each warrant exercisable at a price of $0.105 per share for a period ending 12 months from the date of issuance. The warrants expired unexercised on August 27, 2019.

At December 31, 2019 and December 31, 2018, the investment in Bell Copper is valued as follows:

(Expressed in Canadian Dollars)

		December 31, 2019		December 31, 2018
Bell Copper common shares	**$**	**185,714**	$	171,429
Bell Copper warrants		**-**		28,571
	$	**185,714**	$	200,000

In addition to the unit subscription, Cordoba also funded $300,000 in initial drilling expenditures at the Perseverance Project.

Following completion of the unit subscription and expenditure of the $300,000, Cordoba has the option to earn up to an 80% interest in the Perseverance Project through the acquisition of an equity interest in MMDEX (a wholly-owned indirect subsidiary of Bell Copper and owner of the Perseverance Project), by completing certain phased project expenditures over a 7.5 year period as follows:

- Phase 1 - $1 million within 18 months to earn 25% interest (completed).
- Phase 2 – An additional $3 million within subsequent 2 years for a total of 51% interest.
- Phase 3 – An additional $3 million within subsequent 2 years for a total of 70% interest.
- Phase 4 – An additional $10 million within subsequent 2 years for a total of 80% interest.

On March 31, 2019, Cordoba's Phase 1 project expenditures surpassed $1 million and the Company acquired a 25% shareholding in MMDEX in May 2019 (Note 17).

11. LEASES

(a) Right-of-use-assets

The Company's ROU assets include contracts for leasing vehicles, office premises and equipment**.** At December 31, 2019, $380,098 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.

		Vehicles		Office		Equipment		Total
Right of use assets								
Net book value at January 1, 2019	$	-	$	-	$	-	$	-
IFRS 16 adoption (Note 3(c))		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**

(b) Lease liabilities

The leases of office premises, vehicles and equipment comprise only fixed payments over the lease terms. The Company recorded interest expense of $46,806 on lease liabilities for the year ended December 31, 2019. The Company also recorded expenses of $99,585 related to short-term leases and income of $83,861 from sub-leasing ROU assets during the year ended December 31, 2019, respectively.

(Expressed in Canadian Dollars)

	December 31, 2019	December 31, 2018
Maturity analysis - contractual undiscounted cash flows		
Less than one year	**$ 315,112**	$ 9,881
One to two years	**117,272**	9,881
Two to three years	**9,408**	9,881
More than three years	**17,657**	28,421
Total undiscounted lease liabilities	**459,449**	58,064
Effect of discounting	**(45,842)**	(15,765)
Total lease liabilities	**$ 413,607**	$ 42,299
Current	**$ 281,151**	$ 5,377
Non-current	**$ 132,456**	$ 36,922

	Year ended December 31, 2019	2018
Balance at beginning of year	**$ 42,299**	$ -
IFRS 16 adoption	**182,184**	-
Cash flows		
Principal payments	**(243,941)**	(408)
Interest payments	**(41,113)**	(389)
Non-cash changes		
Additions	**445,140**	42,720
Accretion	**46,806**	389
Change in foreign exchange and other	**(17,768)**	(13)
Total lease liabilities, end of year	**$ 413,607**	$ 42,299

12. OTHER LIABILITY

The Company's other liabilities are as follows:

	December 31, 2019	**December 31, 2018**
OMNI Liability *(i)*	**$ 16,898,700**	$ -
Other *(ii)*	**649,500**	-
	$ 17,548,200	$ -

i. The Company has an option agreement, originally signed in February 2016, with Sociedad Ordinaria de Minas Omni ("OMNI"), Compañia Minera El Alacran S.A.S., CMH Colombia S.A.S. ("CMH"), and Cobre Minerales ("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,

(Expressed in Canadian Dollars)

2020. At December 31, 2019, the Company has recorded a liability for $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 the acquisition of the Alacran Deposit. The corresponding expense has been recorded in E&E acquisition costs within exploration and evaluation expenditures for the year ended December 31, 2019 (Note 16).

13. SHARE CAPITAL

(a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value. At December 31, 2019, the Company had 365,498,594 common shares issued and outstanding (December 31, 2018 – 277,219,388).

Between February 25, 2019 and March 11, 2019 the Company completed non-brokered private placements (the "Offering") of an aggregate of 22,800,000 units ("Units") of the Company at a price of $0.10 per Unit for gross proceeds of $2,280,000. Each Unit consists of one common share ("Share") of the Company and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Share for a period of 24 months following the closing date of the initial tranche of the offering at the exercise price of $0.12 per Share. In connection with the Offering, the Company paid aggregate finder's fees of $41,650.

The Offering included subscriptions from related parties: 2,500,000 Units for gross proceeds of $250,000 from HPX; and subscriptions for 1,650,000 Units for gross proceeds of $165,000 from certain directors and officers of the Company.

On October 2, 2019, 65,059,800 common shares were issued to HPX on conversion of short-term indebtedness obligations owed to HPX and HPX's ownership of Cordoba increased to 75.3% based on a total of 365,490,261 common shares then outstanding (Note 19(c)(iii)).

(b) Share Purchase Warrants

A summary of share purchase warrants activity for the year ended December 31, 2019 is as follows:

	Number of warrants	Weighted average exercise price
Balance - December 31, 2018	38,960,439	$0.43
Granted *(i)*	22,800,000	$0.12
Expired *(ii)*	(12,355,311)	$1.08
Balance - December 31, 2019	**49,405,128**	**$0.13**

i. The net proceeds of the Offering of $2,192,732 have been bifurcated using the relative fair value method resulting in $1,461,848 recorded in share capital and $730,884 recorded in warrant reserve. The fair value of each Warrant issued in the Offering has been estimated to be $0.06 as of the date of the issuance using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.77%, expected life of 2 years, annualized volatility of 95.8% and dividend yield of 0%.

(Expressed in Canadian Dollars)

ii. On July 11, 2019, 12,335,311 share purchase warrants, with a weighted average exercise price of $1.08 expired unexercised.

Share purchase warrants outstanding as of December 31, 2019 are:

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

(c) Compensation Options

In July 2017, 370,380 compensation options were granted to a syndicate of underwriters in connection with a July 2017 private placement. Each compensation option was exercisable 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. The compensation options expired unexercised on January 11, 2019.

14. 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.

(Expressed in Canadian Dollars)

The following is a summary of share purchase options activity for the year ended December 31, 2019:

	Year ended December 31, 2019			Year ended December 31, 2018		
	Number of stock options		**Weighted average exercise price ($ per share)**	Number of stock options		Weighted average exercise price ($ per share)
Outstanding, beginning of year	**9,667,500**	**$**	**0.38**	6,658,625	$	0.55
Granted	**461,538**		**0.065**	4,750,000		0.20
Exercised	**-**		**-**	(275,000)		0.15
Expired/cancelled/forfeited	**(1,525,000)**		**0.35**	(1,466,125)		0.57
Outstanding, end of year	**8,604,038**	**$**	**0.37**	9,667,500	$	0.38
Exercisable, end of year	**5,840,417**	**$**	**0.46**	5,205,000	$	0.54

The weighted average fair value of the share purchase options granted during the year ended December 31, 2019, has been estimated to be $0.05 using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 1.24%, expected life of 4 years, annualized volatility of 94.39% and dividend yield of 0%.

	Options outstanding		**Options exercisable**	
Exercise price ($ per share)	Number of stock options	Weighted average remaining contractual life (years)	Number of stock options	Weighted average remaining contractual life (years)
0.065	461,538	4.64	-	-
0.12	1,125,000	5.90	1,125,000	5.90
0.13	150,000	5.82	150,000	5.82
0.20	3,425,000	3.20	1,141,667	3.20
0.21	825,000	5.41	825,000	5.41
0.58	75,000	2.89	56,250	2.89
0.74	100,000	6.86	100,000	6.86
0.80	1,055,000	4.49	1,055,000	4.49
0.85	1,350,000	6.30	1,350,000	6.30
1.00	37,500	2.58	37,500	2.58
	8,604,038	4.57	5,840,417	5.11

(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. During the year ended December 31, 2019, 150,000 DSUs were redeemed and settled with issuance of 141,072 common shares of the Company (December 31, 2018 – 50,000 DSUs were redeemed and settled with issuance of 50,000 common shares of the Company). On August 20, 2019, a total of 1,384,614 DSUs were granted to non-executive directors of the Company. At December 31, 2019, there were 1,534,614 DSUs outstanding (December 31, 2018 – 300,000).

(Expressed in Canadian Dollars)

(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. During the year ended December 31, 2019, a total of 278,334 RSUs were redeemed (December 31, 2018 – 283,328) and a total of 5,000 RSUs were forfeited (December 31, 2018 – 195,000). At December 31, 2019, there were 273,338 RSUs outstanding (December 31, 2018 – 556,672).

15. CORPORATE ADMINISTRATION

For the years ended December 31, 2019 and 2018, corporate administration comprises:

	Year ended December 31, 2019	2018
Salaries and benefits	**$ 980,563**	$ 876,937
Share-based payments	**296,847**	539,248
Office admin	**111,096**	139,051
Professional Fees	**369,150**	187,765
Insurance	**52,310**	46,900
Travel	**41,097**	127,536
Investor relations	**46,642**	101,529
Compliance and regulatory	**62,495**	104,152
Other	**63,156**	108,791
Total corporate adminstration	**$ 2,023,356**	$ 2,231,909

16. EXPLORATION AND EVALUATION EXPENDITURES

For the years ended December 31, 2019 and 2018, exploration and evaluation ("E&E") expenditure comprises:

	Year ended December 31, 2019	2018
Direct exploration costs	**$ 2,044,986**	$ 1,804,006
Indirect exploration costs	**1,482,998**	2,427,483
Site general and administration ("G&A") costs	**2,482,263**	1,937,379
E&E acquisition costs *(i)*	**2,090,992**	1,279,304
Share-based payments	**75,625**	131,968
Total exploration and evaluation expenditures	**$ 8,176,864**	$ 7,580,140

i. E&E acquisition costs are comprised primarily of expenditures, including option payments, related to the acquisition of the Alacran Deposit.

(Expressed in Canadian Dollars)

E&E expenditures are allocated to the following projects:

	Year ended December 31, 2019	2018	Year ended December 31, 2019	2018	Year ended December 31, 2019	2018	Year ended December 31, 2019	2018
	Colombia		USA		Other		Total	
Direct exploration costs	**$ 1,526,207**	$ 1,113,148	**$ 518,779**	$ 690,858	**$ -**	$ -	**$ 2,044,986**	$ 1,804,006
Indirect exploration costs	**1,307,627**	2,385,313	**175,371**	42,170	**-**	-	**1,482,998**	2,427,483
Site G&A costs	**2,411,253**	1,906,364	**71,010**	31,015	**-**	-	**2,482,263**	1,937,379
E&E acquisition costs	**2,045,821**	1,279,304	**45,171**	-	**-**	-	**2,090,992**	1,279,304
Share-based payments	**-**	-	**-**	-	**75,625**	131,968	**75,625**	131,968
Total E&E expenditures	**$ 7,290,908**	$ 6,684,129	**$ 810,331**	$ 764,043	**$ 75,625**	$ 131,968	**$ 8,176,864**	$ 7,580,140

17. ACQUISITION OF MMDEX LLC

In May 2019, the Company acquired 25% of 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.*

The Company incurred $1.0 million in earn-in expenditures to acquire the 25% interest in MMDEX. These expenditures during the earn-in period were expensed in the consolidated statements of loss and comprehensive loss and no additional consideration was paid. At the date of acquisition, the fair value of the net assets of MMDEX was $Nil.

Management has performed an assessment of its 25% interest in MMDEX and has concluded that Cordoba controls MMDEX as Cordoba holds a majority of the board seats of MMDEX and therefore has decision-making power over its relevant activities. These relevant activities include establishing objectives, policies and strategies, as well as reviewing and approving ongoing and proposed exploration programs and budgets at the Perseverance Project. Accordingly, Cordoba has consolidated MMDEX in these consolidated financial statements in accordance with the provisions of IFRS 10, *Consolidated Financial Statements*.

The 75% interest held by Bell Copper is recognized as non-controlling interest, as the Company's interest in MMDEX is less than 100%. Non-controlling interest represents the equity in a subsidiary not attributable, directly and indirectly, to the Company and is presented as a separate component of equity. Subsequent to the acquisition date, adjustments are made to the carrying amount of non-controlling interest for the non-controlling interest's share of changes to the subsidiary's equity. Losses within a subsidiary continue to be attributed to non-controlling interest even if that results in a deficit balance.

The carrying value of MMDEX's assets and liabilities was $Nil as at December 31, 2019. MMDEX's revenue and net loss for the period of May 2019 to December 31, 2019 was $Nil and $268,465, respectively, and the Company recognized $201,349 as non-controlling interest.

18. SUPPLEMENTAL CASH FLOW INFORMATION

The non-cash financing activities not already disclosed in the consolidated statements of cash flows were as follows:

	Notes	Year ended December 31, 2019	2018
Financing activities			
Shares issued on settlement of principal owing on Promissory Note	13,19	**$ 3,195,292**	$ -

(Expressed in Canadian Dollars)

19. RELATED PARTY TRANSACTIONS

The Company had transactions during the year ended December 31, 2019 and 2018 with related parties consisting of officers, HPX, the OMNI Parties, which are members of the same HPX group, and a company that is owned partially by Cordoba. These related party transactions, which are described below and also include the Private Placement in Note 13(a), are in the normal course of operations and are measured at the exchange amount of the services rendered.

(a) Expenses

During the year ended December 31, 2019, the Company incurred approximately $82,000 (2018 - $349,000) 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 year ended December 31, 2019, the Company charged HPX approximately $89,000 (2018 - $223,000), relating to E&E salaries & expenses.

During the year ended December 31, 2019, the Company incurred approximately $1.38 million (2018 - $1.28 million) in E&E expenditures with CMH, one of the OMNI Parties. The costs incurred relate to the Company's Option Agreement to earn a 100% interest in the Alacran Deposit.

During the year ended December 31, 2019, the Company incurred approximately $868,000 (2018 - $538,000) in E&E and corporate administration expenditures with Global Mining Management Corporation ("GMM"), a private company based in Vancouver. Cordoba held 9.1% of GMM's common shares at December 31, 2019 (December 31, 2018 – 8.3%). 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.

(b) Deposits

At December 31, 2019, the Company had a deposit of $80,000 (December 31, 2018 - $80,000) held by GMM. This deposit is recorded in prepaid expenses and deposits.

(c) Amounts due to related parties

		December 31, 2019		December 31, 2018
GMM payables and accrued liabilities *(i)*	**$**	**134,582**	$	114,176
HPX payables and accrued liabilities *(i)(iii)*		**101,578**		111,525
HPX short-term loan *(ii)(iii)*		**3,330,930**		-
Total due to related parties	**$**	**3,567,090**	$	225,701

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

ii. In June 2019, the Company arranged short-term loan financing of US$2.40 million 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 has 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 will increase to 12% per annum in the event that the Company does not repay the amount owing upon the maturity date.

On September 24, 2019, the Company and HPX agreed to convert the US$2.46 million ($3.27 million) in principal and interest owing under the Promissory Note (Note 19(c)(iii)) into common shares of the Company.

On September 25, 2019, the Company arranged an additional short-term loan from HPX, under the Promissory Note. At December 31, 2019, the carrying value of the Promissory Note including accrued interest was US$2.56 million ($3.33 million). Aggregate interest expense on the Promissory Note of approximately $133,000 was recorded in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2019.

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) in January 2020, upon receipt of an equity investment (Note 25).

iii. On September 24, 2019, the Company and HPX agreed to convert the principal and interest owed to HPX under short-term indebtedness obligations (the “HPX Debt”) into common shares of the Company (“Debt Conversion”). The total owed to HPX at that time was approximately $3.90 million, arising from approximately $3.27 million in advances and accrued interest under the Promissory Note, and approximately $637,000 relating to the deferral of an option payment relating to the Alacran project in Colombia. Accordingly, Cordoba agreed to issue 65,059,800 common shares to HPX at a price of $0.06 per share, in respect of the amount owed under the Debt. The issuance of common shares under the Debt Conversion was subject to TSX Venture Exchange approval, which was received October 1, 2019. On October 2, 2019, the common shares were issued to HPX and HPX’s ownership of Cordoba increased to 75.3% based on a total of 365,490,261 common shares then outstanding.

(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 December 31, 2019, the lease liability for the vehicle was $35,158 (December 31, 2018 - $42,299) with a remaining lease term of 59 months and an interest rate of 11.29%.

(e) Other liability

At December 31, 2019, the other liability included $16.90 million (December 31, 2018 - $Nil) which is due to CMH, one of the OMNI Parties (Note 12).

(Expressed in Canadian Dollars)

(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. For the years ended December 31, 2019 and 2018, key management compensation includes:

	Year ended December 30, 2019	2018
Salaries and benefits	**$ 712,557**	$ 855,819
Share-based payments *(i)*	**118,615**	517,000
Total key management compensation	**$ 831,172**	$ 1,372,819

i. Share-based payments represent fair value of stock options granted during the reporting period estimated on the date of grant using the Black-Scholes option-pricing model.

20. SEGMENTED INFORMATION

The Company operates in three geographically based industry segments, Canada, Colombia and the United States. The Company's head office was located in Toronto, Canada until March 31, 2019 and on April 1, 2019, the Company announced a corporate reorganization that resulted in the re-location of its head office to Vancouver, Canada. The reported loss from operations for the years ended December 31, 2019 and 2018, respectively, in each segment is as follows:

	Colombia		USA		Canada		Total	
	Year ended December 31, 2019	2018	Year ended December 31, 2019	2018	Year ended December 31, 2019	2018	Year ended December 31, 2019	2018
E&E expenditures	**$ 7,290,908**	$ 6,684,129	**$ 810,331**	$ 764,043	**$ 75,625**	$ 131,968	**$ 8,176,864**	$ 7,580,140
Corporate administration	-	-	**27,908**	106,727	**1,995,448**	2,125,182	**2,023,356**	2,231,909
Amortization	**248,620**	67,876	**8,312**	676	**100,379**	653	**357,311**	69,205
Loss from operations	**$ 7,539,528**	$ 6,752,005	**$ 846,551**	$ 871,446	**$ 2,171,452**	$ 2,257,803	**$ 10,557,531**	$ 9,881,254

The Company's non-current assets at December 31, 2019 and December 31, 2018 are located in Colombia, the United States and at the corporate office in Canada, as follows:

	Colombia		USA		Canada		Total	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Colombian VAT receivable	**$ 1,629,508**	$ 1,311,004	**$ -**	$ -	**$ -**	$ -	**$ 1,629,508**	$ 1,311,004
Property, plant and equipment	**1,276,780**	1,032,512	**31,864**	42,009	**8,301**	5,873	**1,316,945**	1,080,394
Financial assets	-	-	-	-	**185,714**	200,000	**185,714**	200,000
Other asset	**16,898,700**	-	-	-	-	-	**16,898,700**	-
Non-current assets	**$ 19,804,988**	$ 2,343,516	**$ 31,864**	$ 42,009	**$ 194,015**	$ 205,873	**$ 20,030,867**	$ 2,591,398

21. 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 FVTPL or FVTOCI.

(Expressed in Canadian Dollars)

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

		December 31, 2019		December 31, 2018
Financial assets				
Financial assets measured at amortized cost				
Cash and cash equivalents	**$**	**247,160**	$	747,983
Other receivables		**19,334**		7,981
Deposits		**196,101**		203,531
Financial assets measured at FVTOCI				
Investments		**185,714**		171,429
Financial assets measured at FVTPL				
Warrants		**-**		28,571
Total financial assets	**$**	**648,309**	$	1,159,495
Financial liabilities measured at amortized cost				
Accounts payable and accrued liabilities	**$**	**676,007**	$	549,821
Due to related parties		**3,567,090**		225,701
Lease liability		**413,607**		42,299
Other liability		**17,548,200**		-
Total financial liabilities	**$**	**22,204,904**	$	817,821

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.

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. Investments in warrants are valued using level two inputs.

The risks associated with financial instruments and the policies on how to mitigate these risks are set out below:

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents, receivables and deposits, and its maximum exposure to credit risk is the carrying value of these assets at December 31, 2019.

Cash and cash equivalents are deposited with high-quality financial institutions as determined by a primary ratings agency.

(b) *Interest rate risk*

Interest rate risk is the risk that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank deposits, which is insignificant due to their short-term nature.

The Company has not entered into any derivative instruments to manage interest rate fluctuations; however, management monitors interest rate exposure closely.

(c) *Currency risk*

The Company reports its financial results in Canadian dollars but also undertakes transactions in various foreign currencies, mainly the US dollar. As the exchange rates between the Canadian dollar and these foreign currencies fluctuate, the Company experiences foreign exchange gains and losses. The Company has cash, receivables, accounts payable and accrued liabilities, due to related parties, other liability and lease liabilities that are denominated in foreign currencies, which are subject to currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the respective statement of financial position dates are as follows:

	December 31, 2019		December 31, 2018	
	US Dollars	**Colombian Pesos**	US Dollars	Colombian Pesos
Cash and cash equivalents	**$ 129,716**	**$ 75,563**	$ 713,994	$ 9,467
Other receivables	**-**	**16,791**	-	8,581
Accounts payable and accrued liabilities	**(27,651)**	**(327,383)**	-	(189,653)
Due to related parties	**(3,452,150)**	**-**	(142,858)	-
Other liability	**(17,548,200)**	**-**	-	-
Current and non-current lease obligation	**(35,159)**	**(369,557)**	(42,300)	-
	$ (20,933,443)	**$ (604,586)**	$ 528,836	$ (171,605)

As at December 31, 2019, a 10% depreciation or appreciation of applicable foreign currencies against the Canadian dollar would result in an approximate $2.15 million decrease or increase in the Company's comprehensive loss (December 31, 2018 - $35,700).

The Company does not enter into any financial instruments to hedge currency risk, but the Company monitors its foreign exchange exposure.

(d) *Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due.

As the Company is an exploration stage company, the ability of the Company to manage its liquidity risk and continue to operate and fund its cash flow requirements is dependent on its ability to continue to obtain funding, including financing through equity placements, debt and joint venture agreements. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration of the Company's properties and the possible loss of title to such properties.

(Expressed in Canadian Dollars)

The Company believes that based on a combination of its cash position and the ability to pursue additional sources of financing, including equity placements, it has adequate resources as at December 31, 2019, to maintain its minimum obligations, including the other liability and general corporate activities, through to December 31, 2020.

22. 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 properties in which the Company currently has an interest are 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, 2019.

23. INCOME TAXES

A reconciliation of income taxes computed at Canadian statutory rates to the reported income taxes is provided as follows:

	December 31, 2019	December 31, 2018
Net loss for the year	**$ 10,629,331**	$ 9,921,841
Canadian statutory tax rate	**27.0%**	26.5%
Tax at statutory Canadian rate	**2,870,000**	2,629,000
Tax at foreign tax rate	**305,000**	266,000
Items not deductible for income tax purposes	**(1,035,000)**	(739,000)
Unrecognized deferred income tax asset	**(2,140,000)**	(2,156,000)
Total income taxes	**$ -**	$ -

(Expressed in Canadian Dollars)

The Company has tax losses (expiring over the period 2036-2039) and other deductible temporary differences as listed below, the benefits of which have not been recognized in these financial statements, as management does not consider their utilization in the foreseeable future to be probable.

	December 31, 2019	December 31, 2018
Canadian tax losses expiring 2037-2039	**$ 4,677,000**	$ 3,888,000
US tax losses expiring 2036-2039	**580,000**	523,000
Colombian tax losses	**170,000**	94,000
Exploration and evaluation assets	**27,833,000**	22,185,000
Share issue costs	**651,000**	860,000
Equipment and other	**-**	3,000
Unrecognized deferred tax assets	**$ 33,911,000**	$ 27,553,000

24. 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.

25. SUBSEQUENT EVENT

On January 17, 2020, Cordoba announced the completion of the strategic equity investment totaling approximately $11.0 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. On closing, JCHX acquired approximately 19.9% of Cordoba's issued and outstanding common shares, and HPX's ownership reduced to approximately 60%.

Upon completion of the strategic equity investment with JCHX, 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) (Note 19(c)(ii)).