



cordoba
M I N E R A L S

CORDOBA MINERALS CORP.

Condensed Interim Consolidated Financial Statements

March 31, 2022

(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Stated in thousands of Canadian dollars)

	Notes	March 31, 2022	December 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents		\$ 689	\$ 4,951
Other receivables		126	88
Prepaid expenses and deposits	3	742	1,139
Total current assets		1,557	6,178
Non-current assets			
Colombian value added tax receivable	4	3,310	2,902
Property, plant and equipment	5	1,610	1,505
Financial assets	6	1,386	486
TOTAL ASSETS		\$ 7,863	\$ 11,071
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 1,299	\$ 872
Due to related parties	13(a)	746	402
Lease liability	7(b)	219	161
Total current liabilities		2,264	1,435
Non-current liabilities			
Lease liability	7(b)	154	70
TOTAL LIABILITIES		\$ 2,418	\$ 1,505
SHAREHOLDERS' EQUITY			
Share capital	8	\$ 208,034	\$ 208,034
Equity reserves	8,9	20,276	20,189
Accumulated other comprehensive income		1,130	290
Deficit		(221,444)	(217,710)
Shareholders' equity attributable the Company		7,996	10,803
Non-controlling interest	12	(2,551)	(1,237)
TOTAL SHAREHOLDERS' EQUITY		\$ 5,445	\$ 9,566
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 7,863	\$ 11,071

Description of business and going concern (Note 1)

Subsequent events (Notes 12 and 13(a)(ii))

Approved and authorized for issue on behalf of the Board on May 4, 2022:

/s/ William Orchow

William Orchow, Director

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited)

(Stated in thousands of Canadian dollars, except for share and per share amounts)

	Notes	Three months ended March 31,	
		2022	2021
Operating expenses			
Exploration and evaluation expenditures	10	\$ 4,522	\$ 3,870
Corporate administration	11	643	607
Amortization	5	79	80
Loss from operations		5,244	4,557
Other expense (income)			
Other income		-	(5)
Interest expense		12	6
Foreign exchange (gain) loss		(208)	143
Loss before income taxes		5,048	4,701
Income taxes		-	-
Net loss for the period		\$ 5,048	\$ 4,701
Other comprehensive (income) loss			
Items that may be reclassified subsequently to loss:			
Currency translation adjustment		60	42
Items that will not be reclassified subsequently to loss:			
Change in fair value of marketable securities	6	(900)	385
Total other comprehensive (income) loss		(840)	427
Total comprehensive loss for the period		\$ 4,208	\$ 5,128
Net loss attributable to:			
Owners of Cordoba Minerals Corp.		\$ 3,734	\$ 4,659
Non-controlling interest	12	1,314	42
Net loss for the period		\$ 5,048	\$ 4,701
Total comprehensive loss attributable to:			
Owners of Cordoba Minerals Corp.		\$ 2,894	\$ 5,086
Non-controlling interest	12	1,314	42
Total comprehensive loss for the period		\$ 4,208	\$ 5,128
Loss per share attributable to common shareholders (basic and diluted)	2(b)	\$ 0.04	\$ 0.08
Weighted average number of basic and diluted common shares outstanding			
	2(b)	89,120,708	61,645,143

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Stated in thousands of Canadian dollars)

	Notes	Three months ended March 31,	
		2022	2021
Operating activities			
Net loss for the period		\$ (5,048)	\$ (4,701)
Adjustments for non-cash items:			
Share-based payments	10,11	87	265
Amortization	5	79	80
Interest expense		12	6
Unrealized foreign exchange (gain) loss		(220)	187
Changes in non-cash working capital items:			
Receivables		(250)	(429)
Prepaid expenses and deposits		397	(23)
Accounts payable and accrued liabilities		427	203
Due to related parties		344	34
Cash used in operating activities		\$ (4,172)	(4,378)
Investing activities			
Acquisition of property, plant and equipment	5	(32)	(30)
Cash used in investing activities		\$ (32)	(30)
Financing activities			
Proceeds from private placements, net of share issue costs		-	572
Payments of lease liabilities	7(b)	(54)	(90)
Interest paid	7(b)	(10)	(8)
Cash (used in) from financing activities		\$ (64)	474
Effect of changes in foreign exchange rates on cash and cash equivalents		6	(20)
Decrease in cash and cash equivalents		(4,262)	(3,954)
Cash and cash equivalents, beginning of period		4,951	5,477
Cash and cash equivalents, end of period		\$ 689	\$ 1,523

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

(Stated in thousands of Canadian dollars, except for share amounts)

	Equity reserves							Deficit	Shareholders' equity attributable to owners of Cordoba Minerals Corp.	Non-controlling interest (Note 12)	Total
	Number of common shares (Note 8(a))	Share capital	Warrants reserve	Broker warrants reserve	Share-based payments reserve	Accumulated other comprehensive income (loss)					
Balance at December 31, 2021	89,120,708	\$ 208,034	\$ 14,231	\$ 48	\$ 5,910	\$ 290	\$ (217,710)	\$ 10,803	\$ (1,237)	\$ 9,566	
Net loss for the period	-	-	-	-	-	-	(3,734)	(3,734)	(1,314)	(5,048)	
Share-based payments (Notes 10 & 11)	-	-	-	-	87	-	-	87	-	87	
Other comprehensive income	-	-	-	-	-	840	-	840	-	840	
Balance at March 31, 2022	89,120,708	\$ 208,034	\$ 14,231	\$ 48	\$ 5,997	\$ 1,130	\$ (221,444)	\$ 7,996	\$ (2,551)	\$ 5,445	
Balance at December 31, 2020	56,426,146	\$ 187,076	\$ 14,560	\$ 48	\$ 5,133	\$ 554	\$ (197,239)	\$ 10,132	\$ (642)	\$ 9,490	
Net loss for the period	-	-	-	-	-	-	(4,659)	(4,659)	(42)	(4,701)	
Share-based payments (Notes 10 & 11)	-	-	-	-	265	-	-	265	-	265	
Shares issued in private placement to JCHX, net of share issue costs	452,975	406	166	-	-	-	-	572	-	572	
Other comprehensive loss	-	-	-	-	-	(427)	-	(427)	-	(427)	
Balance at March 31, 2021	56,879,121	\$ 187,482	\$ 14,726	\$ 48	\$ 5,398	\$ 127	\$ (201,898)	\$ 5,883	\$ (684)	\$ 5,199	

See accompanying notes to the condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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 606-999 Canada Place, Vancouver, British Columbia, Canada, V6C 3E1.

At March 31, 2022, Ivanhoe Electric Inc. (“Ivanhoe Electric”), the Company’s privately owned parent, held 63.3% of the Company’s issued and outstanding common shares (December 31, 2021 – 63.3%). The ultimate controlling entity is I-Pulse Inc. (“I-Pulse”), a privately owned company.

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

The Company's condensed interim consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

For the three months ended March 31, 2022, the Company had no operating revenue and incurred a net loss of \$5.05 million (March 31, 2021 - \$4.70 million). At March 31, 2022, the Company had consolidated cash of \$689,000 (December 31, 2021 - \$4.95 million) to apply against current liabilities of \$2.26 million (December 31, 2021 - \$1.44 million).

At March 31, 2022, the Company believes that it has adequate resources to maintain its minimum obligations, including general corporate activities, based on its cash position, the short-term loan from Ivanhoe Electric (Note 13(a)(ii)) and its ability to pursue additional sources of financing, including equity placements.

The Company currently has no source of operating cash flow, and it has no assurance that additional funding will be available to it for additional exploration and development programs at its properties, or to enable the Company to fulfill its obligations under any applicable agreements. The Company’s ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore and evaluate its mineral properties and, ultimately, to achieve profitable operations. Significant reliance is placed on Ivanhoe Electric, the Company’s controlling shareholder, for providing ongoing financing to the Company. Failure of Ivanhoe Electric to provide or participate in financing, or the inability of Ivanhoe Electric to provide or participate in financing, would likely result in difficulty for Cordoba to attract separate third-party investment. In addition, the spread of COVID-19 globally has caused and continues to cause considerable disruptions to the world economy, including financial markets, and could adversely impact the Company’s ability to carry out plans to obtain additional financing. The ability to raise additional financing for future activities may be impaired, or such financing may not be available on favourable terms, due to conditions beyond the Company’s control, such as uncertainty in the capital markets, depressed commodity prices or country risk factors. As such, there is a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect adjustments to the

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board.

The accounting policies used in the preparation of these condensed interim consolidated financial statements are the same as those applied in the Company's most recent consolidated annual financial statements for the year ended December 31, 2021.

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

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

(b) Comparative figures

On September 24, 2021, the Company announced the closing of a rights offering, which was open to all shareholders. As the subscription price of the rights offering was less than the fair value of a common share of the Company at the time, the rights offering contained a bonus element. In order to provide a comparable basis for the current period, the basic and diluted loss per share for all periods prior to the rights offering have been adjusted retroactively for the bonus element contained in the rights offering. Specifically, the weighted average number of common shares outstanding used to compute basic and diluted loss per share for the three months ended March 31, 2021, have been multiplied by a factor of 1.0884.

(c) Adoption of new and revised accounting standards and interpretations

During the three months ended March 31, 2022, the Company did not adopt any new amendments to IFRS that had a significant impact on the Company's condensed interim consolidated financial statements.

Several new accounting standards, and amendments to standards and interpretations, have been issued but are not yet effective. None of these changes have been early adopted nor are they considered by management to be significant or likely to have a material impact on the Company's condensed interim consolidated financial statements.

(d) Critical accounting estimates and judgments

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

The Company has consistently applied the significant accounting judgments, estimates and assumptions set out in Note 5 of the Company's audited consolidated financial statements for the year ended December 31, 2021 to all the periods presented in these condensed interim consolidated financial statements.

3. PREPAID EXPENSES AND DEPOSITS

	March 31,	December 31,
	2022	2021
Prepaid insurance	\$ 75	\$ 107
Deposits	371	744
Deposits with related parties (Note 13(a)(i))	200	200
Other	96	88
Total prepaid expenses and deposits	\$ 742	\$ 1,139

4. 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 be refunded during future commercial operations. Since the actual timing of receipt is uncertain as VAT is refundable only upon commercial operations, VAT receivable has been classified as a non-current asset.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

5. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Furniture and equipment	Vehicles	Land	ROU assets (Note 7(a))	Total
Cost						
Balance - December 31, 2020	\$ 234	\$ 244	\$ 18	\$ 916	\$ 533	\$ 1,945
Additions	71	103	-	-	263	437
Write-offs and disposals	(13)	(4)	-	-	(280)	(297)
Other adjustments	-	-	40	-	68	108
Foreign exchange	(1)	1	-	(4)	(5)	(9)
Balance - December 31, 2021	291	344	58	912	579	2,184
Additions	31	1	-	-	111	143
Write-offs and disposals	(17)	(10)	(19)	-	-	(46)
Other adjustments	-	-	-	-	63	63
Foreign exchange	(4)	(5)	(1)	(13)	(10)	(33)
Balance - March 31, 2022	\$ 301	\$ 330	\$ 38	\$ 899	\$ 743	\$ 2,311
Accumulated amortization						
Balance - December 31, 2020	\$ 126	\$ 116	\$ 15	\$ -	\$ 410	\$ 667
Charge for the period	39	29	4	-	238	310
Write-offs and disposals	(12)	(3)	-	-	(279)	(294)
Other adjustments	-	-	23	-	(23)	-
Foreign exchange	(1)	(1)	-	-	(2)	(4)
Balance - December 31, 2021	152	141	42	-	344	679
Charge for the period	11	8	3	-	57	79
Write-offs and disposals	(17)	(10)	(19)	-	-	(46)
Foreign exchange	(2)	(3)	-	-	(6)	(11)
Balance - March 31, 2022	\$ 144	\$ 136	\$ 26	\$ -	\$ 395	\$ 701
Net book value						
Balance - December 31, 2021	\$ 139	\$ 203	\$ 16	\$ 912	\$ 235	\$ 1,505
Balance - March 31, 2022	\$ 157	\$ 194	\$ 12	\$ 899	\$ 348	\$ 1,610

6. FINANCIAL ASSETS

Financial assets comprise the Company's investment in Bell Copper Corporation's ("Bell Copper") common shares, which had a fair value of \$1.39 million on March 31, 2022 (December 31, 2021 – \$486,000).

7. LEASES

(a) Right-of-use-assets

The Company's ROU assets include contracts for leasing vehicles and office premises. At March 31, 2022, \$348,000 (December 31, 2021 - \$235,000) of ROU assets are recorded as part of property, plant and equipment. ROU assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying assets.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

	Vehicles	Office	Buildings	Total
Right of use assets				
Net book value at December 31, 2020	\$ 116	\$ 7	\$ -	\$ 123
Additions	87	176	-	263
Amortization charge for the period	(162)	(76)	-	(238)
Write-offs and disposals	-	(1)	-	(1)
Other adjustment	91	-	-	91
Foreign exchange	(2)	(1)	-	(3)
Net book value at December 31, 2021	\$ 130	\$ 105	\$ -	\$ 235
Additions	-	-	111	111
Amortization charge for the period	(27)	(22)	(8)	(57)
Other adjustment	56	7	-	63
Foreign exchange	(2)	(1)	(1)	(4)
Net book value at March 31, 2022	\$ 157	\$ 89	\$ 102	\$ 348

(b) Lease liabilities

The leases of vehicles and office premises comprise only fixed payments over the lease terms. During the three months ended March 31, 2022, the Company recorded interest expense of \$12,000 on lease liabilities (March 31, 2021 - \$6,000) and expenses of \$5,000 (March 31, 2021 - \$31,000) related to short-term leases.

	March 31, 2022	December 31, 2021
Maturity analysis - contractual undiscounted cash flows		
Less than one year	\$ 257	\$ 180
One to two years	115	69
Two to three years	40	5
More than three years	23	-
Total undiscounted lease liabilities	435	254
Effect of discounting	(62)	(23)
Total lease liabilities	\$ 373	\$ 231
Current	\$ 219	\$ 161
Non-current	\$ 154	\$ 70

	Three months ended March 31, 2022	2021
Lease liability continuity		
Balance at beginning of period	\$ 231	\$ 153
Cash flows		
Principal payments	(54)	(90)
Interest payments	(10)	(8)
Non-cash changes		
Additions	111	263
Accretion	12	6
Change in foreign exchange and other	83	13
Total lease liabilities, end of period	\$ 373	\$ 337

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

8. SHARE CAPITAL

(a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value. At March 31, 2022, the Company had 89,120,708 common shares issued and outstanding (December 31, 2021 – 89,120,708).

(b) Share Purchase Warrants

Share purchase warrants outstanding as of March 31, 2022, and December 31, 2021, are as follows:

Grant Date	Expiry date	March 31, 2022			December 31, 2021		
		Number of warrants	Number of shares issuable upon exercise	Weighted average exercise price per share	Number of warrants	Number of shares issuable upon exercise	Weighted average exercise price per share
December 23, 2020	December 23, 2022	61,633	3,933	\$1.802	61,633	3,933	\$1.802
February 18, 2021	February 18, 2023	453	491	\$1.802	453	491	\$1.802
September 24, 2021	September 24, 2026	1,465	1,465	\$0.770	1,465	1,465	\$0.770
		63,551	5,889	\$1.545	63,551	5,889	\$1.545

9. 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 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 shall not have an exercise price less than the market price of the Company’s shares on the day prior to the grant date and may have a maximum term of ten years. Additionally, they may be subject to vesting terms if imposed by the Board of Directors or required by the TSX Venture Exchange.

The following is a summary of share purchase options activity for the three months ended March 31, 2022 and 2021:

	Three months ended March 31, 2022		Three months ended March 31, 2021	
	Number of stock options	Weighted average exercise price (\$ per share)	Number of stock options	Weighted average exercise price (\$ per share)
Outstanding, beginning of period	1,274	\$ 2.36	1,492	\$ 2.81
Forfeited	(60)	1.28	(49)	1.62
Outstanding, end of period	1,214	\$ 2.41	1,443	\$ 2.85
Exercisable, end of period	557	\$ 3.41	373	\$ 6.46

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

Exercise price (\$ per share)	Options outstanding		Options exercisable	
	Number of stock options	Weighted average contractual life remaining (years)	Number of stock options	Weighted average contractual life remaining (years)
0.77	32	0.15	32	0.15
1.11	24	1.83	18	1.64
1.20	54	4.07	-	-
1.36	54	2.52	25	1.88
1.62	836	3.68	279	3.68
1.70	18	3.22	7	2.66
2.04	29	3.65	29	3.65
2.21	9	3.57	9	3.57
3.40	69	0.95	69	0.95
3.57	18	3.16	18	3.16
9.86	4	0.64	4	0.64
12.58	6	4.61	6	4.61
13.60	21	2.24	21	2.24
14.45	40	4.05	40	4.05
	1,214	3.33	557	2.92

(b) Deferred Share Units

Pursuant to the terms of the Company's Deferred Share Unit Plan, the Company may grant DSUs to the Company's directors. Upon a participant's retirement, the DSUs may be settled with cash or common shares of the Company, at the sole discretion of the Board. The fair value of a DSU is determined as the fair market value of a common share of the Company on grant date and recorded in equity reserves.

At March 31, 2022, there were 211,790 DSU's outstanding (December 31, 2021 – 211,790). There was no DSU activity during the three months ended March 31, 2022 and 2021.

(c) Other Equity-based Instruments

Pursuant to the terms of the Company's Long Term Incentive Plan, the Company may grant 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 common shares of the Company at the discretion of the Board. The fair values of an RSU and PSU are determined as the fair market value of a common share of the Company on the grant date and recorded in equity reserves.

At March 31, 2022, there were 243,870 RSU's outstanding (December 31, 2021 – 243,870). There was no RSU activity during the three months ended March 31, 2022 and 2021.

During the three months ended March 31, 2022, and 2021, no PSUs were issued and outstanding.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

10. EXPLORATION AND EVALUATION EXPENDITURES

For the three months ended March 31, 2022 and 2021, categories of exploration and evaluation (“E&E”) expenditures are allocated to the following projects:

	Colombia		USA		Other		Total	
	Three months ended		Three months ended		Three months ended		Three months ended	
	March 31,		March 31,		March 31,		March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Direct exploration costs	\$ 940	\$ 2,010	\$ 1,800	\$ -	\$ -	\$ -	\$ 2,740	\$ 2,010
Indirect exploration costs	802	917	89	57	-	-	891	974
Site G&A costs	851	773	1	16	-	-	852	789
Share-based payments	-	-	-	-	39	97	39	97
Total E&E expenditures	\$ 2,593	\$ 3,700	\$ 1,890	\$ 73	\$ 39	\$ 97	\$ 4,522	\$ 3,870

11. CORPORATE ADMINISTRATION

For the three months ended March 31, 2022 and 2021, corporate administration comprises:

	Three months ended March 31,	
	2022	2021
Salaries and benefits	\$ 225	\$ 144
Directors fees	-	29
Share-based payments	48	168
Office administration	68	48
Professional fees	128	121
Insurance	34	24
Travel	14	-
Investor relations	89	22
Compliance and regulatory	32	34
Other	5	17
Total corporate administration	\$ 643	\$ 607

12. NON-CONTROLLING INTEREST

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 and certain of its wholly-owned subsidiaries to explore the Perseverance porphyry copper project located in northwestern Arizona, USA (the “Perseverance Project”).

Cordoba has the option to earn up to an 80% interest in the Perseverance Project through the acquisition of an equity interest in the joint venture company MMDEX LLC (“MMDEX”), a subsidiary of Bell Copper, by completing certain phased project expenditures over a 7.5 year period as follows:

- Phase 1 - \$1 million by April 24, 2020, to earn a 25% interest (completed)
- Phase 2 - Additional \$3 million by April 24, 2022, for a total 51% interest (completed)
- Phase 3 - Additional \$3 million by April 24, 2024, for a total 70% interest (in progress)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

- Phase 4 - Additional \$10 million by April 24, 2026, for a total 80% interest

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*. Management's assessment at the time of acquisition concluded that Cordoba controls MMDEX. Accordingly, the Company has consolidated MMDEX, recognizing a 75% non-controlling interest from May 2019 onwards.

In March 2022, the Company achieved the minimum project expenditure requirement for the Phase 2 earn-in, and now has vested a 51% interest in the project. This increase in interest will be recognized in the three months ended June 30, 2022, in accordance with IFRS recognition criteria.

The carrying value of MMDEX's assets and liabilities was \$Nil as at March 31, 2022 (December 31, 2021 - \$Nil). For the three months ended March 31, 2022, MMDEX's revenue was \$Nil (March 31, 2021 - \$Nil) and net loss was \$1.75 million (March 31, 2021 - \$56,000). The Company recognized \$1.31 million as non-controlling interest for the three months ended March 31, 2022 (March 31, 2021 - \$42,000).

13. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

(a) Transactions and balances with related parties

The Company incurred the following exploration and administrative expenses with related parties:

	Three months ended March 31,	
	2022	2021
Salaries and benefits	\$ 196	\$ 125
Corporate administration	60	57
Exploration	524	120
Total related party expenses	\$ 780	\$ 302

The breakdown of expenses (income) by related party is as follows:

	Three months ended March 31,	
	2022	2021
GMM (i)	\$ 428	\$ 263
Ivanhoe Electric (ii)	298	-
High Power Exploration Inc.	-	(14)
Vagon Capital S.A.S. (iii)	53	53
Kaizen Discovery Inc. (iv)	1	-
Total related party expenses	\$ 780	\$ 302

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

The breakdown of amounts due from and to related parties is as follows:

	March 31,	December 31,
	2022	2021
Due to related parties		
Due to GMM (i)	\$ 222	\$ 166
Due to directors of the Company	32	32
Due to Ivanhoe Electric (ii)	491	195
Due to Kaizen Discovery Inc. (iv)	1	9
Total due to related parties	\$ 746	\$ 402

- i. Global Mining Management Corporation (“GMM”), a private company based in Vancouver, provides administration, accounting and other office services to the Company on a cost-recovery basis. The Company held 7.1% of GMM’s common shares at March 31, 2022, (December 31, 2021 – 7.1%). The investment in GMM is held at \$Nil on the condensed interim consolidated statement of financial position.

At March 31, 2022, prepaid expenses and deposits included a deposit of \$200,000 (December 31, 2021 – \$200,000) held by GMM (Note 3).

- ii. Ivanhoe Electric held 63.3% of the Company’s issued and outstanding common shares at March 31, 2022 (December 31, 2021 – 63.3%). Costs incurred by Ivanhoe Electric on behalf of the Company are reimbursed on a cost-recovery basis.

In April 2022, Ivanhoe Electric provided the Company with a short-term loan of US\$6.0 million bearing interest at 12% per annum, with the interest rate increasing to 14% per annum in the event that the amount owing is not repaid upon the maturity date, which is September 30, 2022. Ivanhoe Electric will advance funds under the loan at its discretion from time to time, upon request by the Company. To date, US\$2.0 million has been advanced under the loan.

- iii. Vagon Capital S.A.S., a company that is controlled by a close family member of one of the Company’s directors, provides the Company professional consulting services.
- iv. Kaizen Discovery Inc. (“Kaizen Discovery”) is a subsidiary of Ivanhoe Electric. Costs incurred by Kaizen Discovery on behalf of the Company are reimbursed on a cost-recovery basis.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

(b) Compensation of key management personnel

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company, including directors and officers.

	Three months ended March 31,			
	2022		2021	
Salaries and benefits	\$	223	\$	164
Director fees		-		29
Share-based payments		21		108
Total key management compensation	\$	244	\$	301

14. SEGMENTED INFORMATION

The Company has a head office in Vancouver, Canada, and operates in three geographically based segments: Canada, Colombia and the United States. The reported loss from operations for the three months ended March 31, 2022 and 2021 for each segment is as follows:

	Colombia		USA		Canada		Total	
	Three months ended March 31,		Three months ended March 31,		Three months ended March 31,		Three months ended March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
E&E expenditures	\$ 2,593	\$ 3,700	\$ 1,890	\$ 73	\$ 39	\$ 97	\$ 4,522	\$ 3,870
Corporate administration	-	-	2	3	641	604	643	607
Amortization	77	78	2	2	-	-	79	80
Loss from operations	\$ 2,670	\$ 3,778	\$ 1,894	\$ 78	\$ 680	\$ 701	\$ 5,244	\$ 4,557

The Company's non-current assets at March 31, 2022 and December 31, 2021 are located in Colombia, the United States and the head office in Canada as follows:

	Colombia		USA		Canada		Total	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Colombian VAT receivable	\$ 3,310	\$ 2,902	\$ -	\$ -	\$ -	\$ -	3,310	2,902
Property, plant and equipment	1,360	1,249	250	256	-	-	1,610	1,505
Financial assets	-	-	-	-	1,386	486	1,386	486
Non-current assets	\$ 4,670	\$ 4,151	\$ 250	\$ 256	\$ 1,386	\$ 486	\$ 6,306	\$ 4,893

15. FINANCIAL INSTRUMENTS

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Stated in Canadian dollars unless otherwise noted; tabular amounts in thousands)

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

	March 31, 2022	December 31, 2021
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 689	\$ 4,951
Other receivables	15	7
Deposits	571	944
Financial assets measured at FVTOCI		
Financial assets	1,386	486
Total financial assets	\$ 2,661	\$ 6,388
Financial liabilities measured at amortized cost		
Accounts payable and accrued liabilities	\$ 1,299	\$ 872
Due to related parties	746	402
Lease liability	373	231
Total financial liabilities	\$ 2,418	\$ 1,505

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

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.