



cordoba
M I N E R A L S

CORDOBA MINERALS CORP.

Condensed Interim Consolidated Financial Statements

September 30, 2022

(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Stated in thousands of Canadian dollars)

	Notes	September 30, 2022	December 31, 2021 (Note 2(c))	January 1, 2021 (Note 2(c))
ASSETS				
Current assets				
Cash		\$ 747	\$ 4,951	\$ 5,477
Other receivables		51	88	50
Due from related parties		-	-	24
Prepaid expenses and deposits	3	1,405	1,139	997
Total current assets		2,203	6,178	6,548
Non-current assets				
Colombian value added tax receivable	4	4,043	2,902	1,908
Property, plant and equipment	5	1,907	1,505	1,278
Financial assets	6	486	486	971
TOTAL ASSETS		\$ 8,639	\$ 11,071	\$ 10,705
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities		\$ 4,309	\$ 872	\$ 972
Due to related parties	13(a)	13,586	402	90
Lease liability	7(b)	227	161	130
Total current liabilities		18,122	1,435	1,192
Non-current liabilities				
Lease liability	7(b)	236	70	23
TOTAL LIABILITIES		\$ 18,358	\$ 1,505	\$ 1,215
SHAREHOLDERS' (DEFICIT) EQUITY				
Share capital	8	\$ 208,105	\$ 208,034	\$ 187,076
Equity reserves	8,9	20,757	20,189	19,741
Accumulated other comprehensive income		640	290	554
Deficit		(239,221)	(218,947)	(197,881)
Shareholders' (deficit) equity attributable the Company		(9,719)	9,566	9,490
Non-controlling interest		-	-	-
TOTAL SHAREHOLDERS' (DEFICIT) EQUITY		\$ (9,719)	\$ 9,566	\$ 9,490
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 8,639	\$ 11,071	\$ 10,705

Description of business and going concern (Note 1)

Subsequent events (Note 13(a)(ii))

Approved and authorized for issue on behalf of the Board on November 11, 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 September 30,		Nine months ended September 30,	
		2022	2021 (Note 2(c))	2022	2021 (Note 2(c))
Operating expenses					
Exploration and evaluation expenditures	10	\$ 7,428	\$ 4,439	\$ 16,448	\$ 12,585
Corporate administration	11	782	712	2,046	1,932
Depreciation	5	86	71	248	235
Loss from operations		8,296	5,222	18,742	14,752
Other expense (income)					
Other income		-	-	-	(6)
Interest expense		294	18	403	34
Foreign exchange loss (gain)		1,057	(63)	1,129	445
Loss before income taxes		9,647	5,177	20,274	15,225
Income taxes		-	-	-	-
Net loss for the period		\$ 9,647	\$ 5,177	\$ 20,274	\$ 15,225
Other comprehensive loss (income)					
Items that may be reclassified subsequently to loss:					
Currency translation adjustment		(291)	(343)	(350)	(236)
Items that will not be reclassified subsequently to loss:					
Change in fair value of marketable securities	6	357	185	-	585
Total other comprehensive loss (income)		66	(158)	(350)	349
Total comprehensive loss for the period		\$ 9,713	\$ 5,019	\$ 19,924	\$ 15,574
Net loss attributable to:					
Owners of Cordoba Minerals Corp.		\$ 9,647	\$ 5,177	\$ 20,274	\$ 15,225
Non-controlling interest		-	-	-	-
Net loss for the period		\$ 9,647	\$ 5,177	\$ 20,274	\$ 15,225
Total comprehensive loss attributable to:					
Owners of Cordoba Minerals Corp.		9,713	\$ 5,019	\$ 19,924	15,574
Non-controlling interest		-	-	-	-
Total comprehensive loss for the period		\$ 9,713	\$ 5,019	\$ 19,924	\$ 15,574
Loss per share attributable to common shareholders (basic and diluted)					
		\$ 0.11	\$ 0.08	\$ 0.23	\$ 0.23
Weighted average number of basic and diluted common shares outstanding					
		89,150,958	68,750,210	89,136,263	64,812,950

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Stated in thousands of Canadian dollars)

		Nine months ended September 30,	
	Notes	2022	2021
Operating activities			
Net loss for the period		\$ (20,274)	\$ (15,225)
Adjustments for non-cash items:			
Share-based payments	10,11	653	787
Depreciation	5	248	235
Interest expense		403	34
Loss on disposition of property, plant and equipment		2	2
Unrealized foreign exchange loss		1,152	384
Changes in non-cash working capital items:			
Receivables		(1,245)	(1,215)
Prepaid expenses and deposits		(266)	147
Accounts payable and accrued liabilities		3,360	825
Due to related parties		461	106
Cash used in operating activities		\$ (15,506)	\$ (13,920)
Investing activities			
Acquisition of property, plant and equipment	5	(104)	(148)
Cash used in investing activities		\$ (104)	\$ (148)
Financing activities			
Exercise of warrants		-	1,644
Proceeds from rights offering, net of share issue costs		-	14,899
Proceeds from private placements, net of share issue costs		-	3,911
Proceeds from short-term loan from related party	13(a)(ii)	11,568	1,453
Settlement of short-term loan from related party		-	(1,456)
Interest paid on short-term loan from related party		-	(9)
Settlement of restricted and deferred share units	9	(14)	-
Payments of lease liabilities	7(b)	(167)	(207)
Interest paid	7(b)	(33)	(26)
Cash from financing activities		\$ 11,354	\$ 20,209
Effect of changes in foreign exchange rates on cash and cash equivalents		52	78
(Decrease) Increase in cash		(4,204)	6,219
Cash, beginning of period		4,951	5,477
Cash, end of period		\$ 747	\$ 11,696

See accompanying notes to the condensed interim consolidated financial statements.

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

(Unaudited)

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

	Equity reserves						Shareholders' equity attributable to owners of Cordoba Minerals Corp.			Non-controlling interest (Note 2(c))	Total
	Number of common shares (Note 8(a))	Share capital	Warrants reserve	Broker warrants reserve	Share-based payments reserve	Accumulated other comprehensive income (loss)	Deficit (Note 2(c))	Minerals Corp. (Note 2(c))			
Balance at December 31, 2021	89,120,708	\$ 208,034	\$ 14,231	\$ 48	\$ 5,910	\$ 290	\$ (218,947)	\$ 9,566	\$ -	\$ 9,566	
Net loss for the period	-	-	-	-	-	-	(20,274)	(20,274)	-	(20,274)	
Settlement of Deferred Share Units (Note 9(b))	26,529	65	-	-	(77)	-	-	(12)	-	(12)	
Settlement of Restricted Share Units (Note 9(c))	3,721	6	-	-	(8)	-	-	(2)	-	(2)	
Share-based payments (Notes 10 & 11)	-	-	-	-	653	-	-	653	-	653	
Other comprehensive income	-	-	-	-	-	350	-	350	-	350	
Balance at September 30, 2022	89,150,958	\$ 208,105	\$ 14,231	\$ 48	\$ 6,478	\$ 640	\$ (239,221)	\$ (9,719)	\$ -	\$ (9,719)	
Balance at January 1, 2021 (Reported)	56,426,146	\$ 187,076	\$ 14,560	\$ 48	\$ 5,133	\$ 554	\$ (197,239)	\$ 10,132	\$ (642)	\$ 9,490	
Change in accounting policy (Note 2(c))	-	-	-	-	-	-	(642)	(642)	642	-	
Balance at January 1, 2021 (Adjusted)	56,426,146	\$ 187,076	\$ 14,560	\$ 48	\$ 5,133	\$ 554	\$ (197,881)	\$ 9,490	\$ -	\$ 9,490	
Net loss for the period	-	-	-	-	-	-	(15,225)	(15,225)	-	(15,225)	
Share-based payments (Notes 10 & 11)	-	-	-	-	787	-	-	787	-	787	
Shares issued in private placement to JCHX, net of share issue costs	452,975	406	166	-	-	-	-	572	-	572	
Exercise of share purchase warrants	1,288,830	2,668	(1,024)	-	-	-	-	1,644	-	1,644	
Shares issued pursuant to private placement, net of share issue costs	3,055,647	3,339	-	-	-	-	-	3,339	-	3,339	
Shares and share purchase warrants issued pursuant to rights offering, net of share issue costs	27,777,777	14,370	529	-	-	-	-	14,899	-	14,899	
Other comprehensive loss	-	-	-	-	-	(349)	-	(349)	-	(349)	
Balance at September 30, 2021	89,001,375	\$ 207,859	\$ 14,231	\$ 48	\$ 5,920	\$ 205	\$ (213,106)	\$ 15,157	\$ -	\$ 15,157	

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 September 30, 2022, Ivanhoe Electric Inc. (“Ivanhoe Electric”), the Company’s publicly-listed majority shareholder, held 63.3% of the Company’s issued and outstanding common shares (December 31, 2021 – 63.3%).

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 and nine months ended September 30, 2022, the Company had no operating revenue and incurred net losses of \$9.65 million and \$20.27 million (September 30, 2021 - \$5.18 million and \$15.23 million). At September 30, 2022, the Company had consolidated cash of \$747,000 (December 31, 2021 - \$4.95 million) to apply against current liabilities of \$18.12 million (December 31, 2021 - \$1.44 million).

At September 30, 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 loans 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These condensed interim consolidated 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, except for the change in accounting policy disclosed in Note 2(c).

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

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

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

During the nine months ended September 30, 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.

(c) Change in accounting policy

Effective June 30, 2022, the Company voluntarily changed its accounting policy for non-controlling interest in situations where the Company funds a disproportionate share of costs, such as under the earn-in agreement described in Note 12. Previously, the Company attributed losses to non-controlling interest using a two-step approach: (1) attribute losses in the statement of loss in proportion to non-controlling interest's ownership of the joint venture (Note 12) and (2) separately attribute additional losses to the Company through the statement of changes in shareholders' equity. The Company believes that taking the cost sharing arrangement into account when doing the original attribution in the statement of loss provides users with reliable and more relevant financial information.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

To reflect the retrospective application of this change in accounting policy, comparative amounts have been adjusted as follows:

As at January 1, 2021	As previously reported	Adjustment	Adjusted
SHAREHOLDERS' EQUITY			
Share capital	\$ 187,076	\$ -	\$ 187,076
Equity reserves	19,741	-	19,741
Accumulated other comprehensive income	554	-	554
Deficit	(197,239)	(642)	(197,881)
Shareholders' equity attributable the Company	10,132	(642)	9,490
Non-controlling interest	(642)	642	-
TOTAL SHAREHOLDERS' EQUITY	\$ 9,490	\$ -	\$ 9,490

As at December 31, 2021	As previously reported	Adjustment	Adjusted
SHAREHOLDERS' EQUITY			
Share capital	\$ 208,034	\$ -	\$ 208,034
Equity reserves	20,189	-	20,189
Accumulated other comprehensive income	290	-	290
Deficit	(217,710)	(1,237)	(218,947)
Shareholders' equity attributable the Company	10,803	(1,237)	9,566
Non-controlling interest	(1,237)	1,237	-
TOTAL SHAREHOLDERS' EQUITY	\$ 9,566	\$ -	\$ 9,566

For the three months ended September 30, 2021	As previously reported	Adjustment	Adjusted
Net loss attributable to:			
Owners of Cordoba Minerals Corp.	\$ 5,136	\$ 41	\$ 5,177
Non-controlling interest	41	(41)	-
Net loss for the period	\$ 5,177	\$ -	\$ 5,177
Total comprehensive loss attributable to:			
Owners of Cordoba Minerals Corp.	\$ 4,978	\$ 41	\$ 5,019
Non-controlling interest	41	(41)	-
Total comprehensive loss for the period	\$ 5,019	\$ -	\$ 5,019
Loss per share (basic and diluted)	\$ 0.07	\$ 0.01	\$ 0.08

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

For the nine months ended September 30, 2021	As previously reported	Adjustment	Adjusted
Net loss attributable to:			
Owners of Cordoba Minerals Corp.	\$ 15,117	\$ 108	\$ 15,225
Non-controlling interest	108	(108)	-
Net loss for the period	\$ 15,225	\$ -	\$ 15,225
Total comprehensive loss attributable to:			
Owners of Cordoba Minerals Corp.	\$ 15,466	\$ 108	\$ 15,574
Non-controlling interest	108	(108)	-
Total comprehensive loss for the period	\$ 15,574	\$ -	\$ 15,574
Loss per share (basic and diluted)	\$ 0.23	\$ -	\$ 0.23

(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.

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

	September 30, 2022	December 31, 2021
Prepaid insurance	\$ 4	\$ 107
Deposits	1,116	744
Deposit with related party (Note 13(a)(i))	200	200
Other	85	88
Total prepaid expenses and deposits	\$ 1,405	\$ 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	91	13	-	-	343	447
Write-offs and disposals	(19)	(11)	(18)	-	-	(48)
Other adjustments	-	-	-	-	66	66
Foreign exchange	29	28	3	74	75	209
Balance - September 30, 2022	\$ 392	\$ 374	\$ 43	\$ 986	\$ 1,063	\$ 2,858
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	39	25	7	-	177	248
Write-offs and disposals	(17)	(10)	(19)	-	-	(46)
Foreign exchange	15	13	2	-	40	70
Balance - September 30, 2022	\$ 189	\$ 169	\$ 32	\$ -	\$ 561	\$ 951
Net book value						
Balance - December 31, 2021	\$ 139	\$ 203	\$ 16	\$ 912	\$ 235	\$ 1,505
Balance - September 30, 2022	\$ 203	\$ 205	\$ 11	\$ 986	\$ 502	\$ 1,907

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 \$486,000 on September 30, 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 September 30, 2022, \$502,000 (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	232	-	111	343
Amortization charge for the period	(85)	(70)	(22)	(177)
Other adjustment	59	7	-	66
Foreign exchange	23	4	8	35
Net book value at September 30, 2022	\$ 359	\$ 46	\$ 97	\$ 502

(b) Lease liabilities

The leases of vehicles and office premises comprise only fixed payments over the lease terms. During the three and nine months ended September 30, 2022, the Company recorded interest expense of \$14,000 and \$37,000 on lease liabilities (September 30, 2021 - \$8,000 and \$24,000) and expenses of \$2,000 and \$9,000 (September 30, 2021 - \$6,000 and \$59,000) related to short-term leases.

	September 30, 2022	December 31, 2021
Maturity analysis - contractual undiscounted cash flows		
Less than one year	\$ 291	\$ 180
One to two years	170	69
Two to three years	81	5
More than three years	3	-
Total undiscounted lease liabilities	545	254
Effect of discounting	(82)	(23)
Total lease liabilities	\$ 463	\$ 231
Current	\$ 227	\$ 161
Non-current	\$ 236	\$ 70

	Nine months ended September 30, 2022	2021
Lease liability continuity		
Balance at beginning of period	\$ 231	\$ 153
Cash flows		
Principal payments	(167)	(207)
Interest payments	(33)	(26)
Non-cash changes		
Additions	344	326
Accretion	37	24
Change in foreign exchange and other	51	32
Total lease liabilities, end of period	\$ 463	\$ 302

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 September 30, 2022, the Company had 89,150,958 common shares issued and outstanding (December 31, 2021 – 89,120,708).

(b) Share Purchase Warrants

Share purchase warrants outstanding as of September 30, 2022, and December 31, 2021, are as follows:

Grant Date	Expiry date	September 30, 2022			December 31, 2021		
		Number of warrants	Number of shares issuable upon exercise of warrants	Weighted average price per share	Number of warrants	Number of shares issuable upon exercise of warrants	Weighted average 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

The following is a summary of share purchase options activity for the nine months ended September 30, 2022, and 2021:

	Nine months ended September 30, 2022		Nine months ended September 30, 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
Granted	1,167	0.53	120	1.08
Forfeited	(110)	1.13	(245)	4.76
Outstanding, end of period	2,331	\$ 1.50	1,367	\$ 2.31
Exercisable, end of period	540	\$ 2.58	239	\$ 5.91

The weighted average fair value of the share purchase options granted during the nine months ended September 30, 2022, has been estimated to be \$0.34 (September 30, 2021 - \$0.72) using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Nine months ended September 30,	
	2022	2021
Exercise price	\$0.53	\$1.08
Risk free interest rate	2.85%	0.70%
Expected life (years)	3.18	4.00
Annualized volatility	99.85%	98.65%
Dividend rate	0%	0%

Exercise price (\$ per share)	Options outstanding		Options exercisable	
	Number of stock options	Weighted average remaining contractual life (years)	Number of stock options	Weighted average remaining contractual life (years)
0.53	1,167	4.38	-	-
1.11	18	1.89	12	1.89
1.20	54	3.56	18	3.56
1.36	44	2.55	29	2.55
1.62	836	3.18	279	3.18
1.70	16	3.10	5	3.10
2.04	29	2.36	29	2.36
2.21	9	3.07	9	3.07
3.40	69	0.45	69	0.45
3.57	18	1.67	18	1.67
9.86	4	0.14	4	0.14
12.58	6	4.11	6	4.11
13.60	21	1.35	21	1.35
14.45	40	3.03	41	3.03
	2,331	3.64	540	2.59

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

(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.

The following is a summary of DSU activity for the nine months ending September 30, 2022, and 2021:

	Nine months ended September 30,	
	2022	2021
Outstanding, beginning of period	212	202
Granted	375	13
Redeemed	(57)	-
Outstanding, end of period	530	215

The total fair value of DSUs granted during the nine months ended September 30, 2022, was determined to be approximately \$199,000 (September 30, 2021 – \$15,000).

(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.

The following is a summary of RSU activity for the nine months ending September 30, 2022, and 2021:

	Nine months ended September 30,	
	2022	2021
Outstanding, beginning of period	244	363
Granted	1,329	53
Redeemed	(7)	-
Forfeited	-	(29)
Outstanding, end of period	1,566	387

The total fair value of RSUs granted during the nine months ended September 30, 2022, was determined to be approximately \$704,000 (September 30, 2021 – \$48,000).

During the nine months ended September 30, 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 and nine months ended September 30, 2022, and 2021, categories of exploration and evaluation (“E&E”) expenditures are allocated to the following projects:

	Colombia		USA		Other		Total	
	Three months ended September 30,		Three months ended September 30,		Three months ended September 30,		Three months ended September 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
Direct exploration costs	\$ 4,782	\$ 1,643	\$ 10	\$ -	\$ -	\$ -	\$ 4,792	\$ 1,643
Indirect exploration costs	1,423	1,578	57	115	-	-	1,480	1,693
Site G&A costs	1,036	981	3	19	-	-	1,039	1,000
Share-based payments	-	-	-	-	117	103	117	103
Total E&E expenditures	\$ 7,241	\$ 4,202	\$ 70	\$ 134	\$ 117	\$ 103	\$ 7,428	\$ 4,439

	Colombia		USA		Other		Total	
	Nine months ended September 30,		Nine months ended September 30,		Nine months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
Direct exploration costs	\$ 7,668	\$ 5,567	\$ 1,898	\$ -	\$ -	\$ -	\$ 9,566	\$ 5,567
Indirect exploration costs	3,127	3,542	272	208	-	-	3,399	3,750
Site G&A costs	3,279	2,921	8	48	-	-	3,287	2,969
Share-based payments	-	-	-	-	196	299	196	299
Total E&E expenditures	\$ 14,074	\$ 12,030	\$ 2,178	\$ 256	\$ 196	\$ 299	\$ 16,448	\$ 12,585

11. CORPORATE ADMINISTRATION

For the three and nine months ended September 30, 2022, and 2021, corporate administration comprises:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Salaries and benefits	\$ 215	\$ 219	\$ 657	\$ 527
Directors fees	-	25	-	108
Share-based payments	336	135	457	488
Office administration	40	39	167	150
Professional fees	103	72	321	266
Insurance	34	26	101	74
Travel	2	19	75	19
Investor relations	37	106	179	151
Compliance and regulatory	6	48	41	103
Other	9	23	48	46
Total corporate administration	\$ 782	\$ 712	\$ 2,046	\$ 1,932

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

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)
- 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 has vested a 51% interest in the project.

The carrying values of MMDEX’s assets and liabilities were both \$Nil as at September 30, 2022 (December 31, 2021 - \$Nil). For the three and nine months ended September 30, 2022, MMDEX’s revenue was \$Nil and \$NIL (September 30, 2021 - \$Nil and \$Nil) and net loss was \$71,000 and \$2.07 million (September 30, 2021 - \$54,000 and \$143,000). The Company recognized \$Nil and \$Nil million as non-controlling interest for the three and nine months ended September 30, 2022 (September 30, 2021 - \$Nil and \$Nil).

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:

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Salaries and benefits	\$ 198	\$ 203	\$ 595	\$ 475
Corporate administration	46	50	188	172
Exploration	129	169	928	412
Total related party expenses	\$ 373	\$ 422	\$ 1,711	\$ 1,059

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
GMM (i)	\$ 310	\$ 338	\$ 1,088	\$ 871
Ivanhoe Electric (ii)	13	32	425	50
High Power Exploration Inc.	-	-	-	(19)
Vagon Capital S.A.S. (iii)	50	52	157	157
Kaizen Discovery Inc. (iv)	-	-	1	-
Computational Geosciences Inc. (v)	-	-	40	-
Total related party expenses	\$ 373	\$ 422	\$ 1,711	\$ 1,059

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

	September 30,	December 31,
	2022	2021
Due to related parties		
Due to GMM (i)	\$ 206	\$ 166
Due to directors and officers of the Company	4	32
Due to Ivanhoe Electric (ii)	13,340	195
Due to Kaizen Discovery Inc. (iv)	-	9
Due to Vagon Capital SAS (iii)	36	-
Total due to related parties	\$ 13,586	\$ 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 September 30, 2022 (December 31, 2021 – 7.1%). The investment in GMM is held at \$Nil on the condensed interim consolidated statement of financial position.

At September 30, 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 September 30, 2022 (December 31, 2021 – 63.3%). Costs incurred by Ivanhoe Electric 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)

In April 2022, Ivanhoe Electric provided the Company with a short-term loan of US\$6.0 million in the form of a grid promissory note bearing interest at 12% per annum, compounding only at maturity. The interest rate increased to 14% per annum when the amount owing was not repaid upon the maturity date, which is September 30, 2022. The loan is now due on demand. As at September 30, 2022, US\$6.0 million had been advanced to the Company under the loan, with accrued interest totalling approximately \$318,000.

In August 2022, Ivanhoe Electric provided the Company with an additional short-term loan of US\$2.0 million in the form of a grid promissory note bearing interest at 12% per annum, compounding only at maturity. The interest rate will increase to 14% per annum if the Company does not repay the amount owing upon the maturity date, which is December 31, 2022. In September and October, Ivanhoe Electric provided additional short-term loans of US\$1.0 million in each of these months under the same grid promissory note. As at September 30, 2022, US\$3.0 million had been advanced to the Company under these loans, with accrued interest totalling approximately \$47,000. All US\$4.0 million has now been advanced to the Company.

In November 2022, Ivanhoe Electric provided Cordoba with an additional short-term loan of US\$2.5 million in the form of a grid promissory note bearing interest at 12% per annum, compounding only at maturity. The interest rate will increase to 14% per annum if the Company does not repay the amount owing upon the maturity date, which is the earlier of January 31, 2023, and the second business day following the receipt of gross proceeds of not less than US\$10 million from any equity or debt financing. US\$1 million of the loan has been advanced to the Company.

- 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 publicly-listed subsidiary of Ivanhoe Electric. Costs incurred by Kaizen Discovery on behalf of the Company are reimbursed on a cost-recovery basis.
- v. Computational Geosciences Inc. ("CGI") is a subsidiary of Ivanhoe Electric. CGI provides technical consulting services in relation to the Perseverance Project.

(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		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Salaries and benefits	\$ 196	\$ 248	\$ 609	\$ 593
Director fees	-	25	-	108
Share-based payments	79	81	120	315
Total key management compensation	\$ 275	\$ 354	\$ 729	\$ 1,016

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

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 and nine months ended September 30, 2022, and 2021 for each segment is as follows:

	Colombia		USA		Canada		Total	
	Three months ended		Three months ended		Three months ended		Three months ended	
	September 30,		September 30,		September 30,		September 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
E&E expenditures	\$ 7,241	\$ 4,202	\$ 70	\$ 134	\$ 117	\$ 103	\$ 7,428	\$ 4,439
Corporate administration	-	-	2	2	780	710	782	712
Depreciation	84	69	2	2	-	-	86	71
Loss from operations	\$ 7,325	\$ 4,271	\$ 74	\$ 138	\$ 897	\$ 813	\$ 8,296	\$ 5,222

	Colombia		USA		Canada		Total	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	September 30,		September 30,		September 30,		September 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
E&E expenditures	\$ 14,074	\$ 12,030	\$ 2,178	\$ 256	\$ 196	\$ 299	\$ 16,448	\$ 12,585
Corporate administration	-	-	8	12	2,038	1,920	2,046	1,932
Depreciation	242	229	6	6	-	-	248	235
Loss from operations	\$ 14,316	\$ 12,259	\$ 2,192	\$ 274	\$ 2,234	\$ 2,219	\$ 18,742	\$ 14,752

The Company's non-current assets at September 30, 2022, and December 31, 2021 are located in Colombia, the United States and the head office in Canada as follows:

	Colombia		USA		Canada		Total	
	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,
	2022	2021	2022	2021	2022	2021	2022	2021
Colombian VAT receivable	\$ 4,043	\$ 2,902	\$ -	\$ -	\$ -	\$ -	\$ 4,043	\$ 2,902
Property, plant and equipment	1,637	1,249	270	256	-	-	1,907	1,505
Financial assets	-	-	-	-	486	486	486	486
Non-current assets	\$ 5,680	\$ 4,151	\$ 270	\$ 256	\$ 486	\$ 486	\$ 6,436	\$ 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").

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

	September 30, 2022	December 31, 2021
Financial assets		
Financial assets measured at amortized cost		
Cash	\$ 747	\$ 4,951
Other receivables	13	7
Deposits	1,316	944
Financial assets measured at FVTOCI		
Financial assets	486	486
Total financial assets	\$ 2,562	\$ 6,388
Financial liabilities measured at amortized cost		
Accounts payable and accrued liabilities	\$ 4,309	\$ 872
Due to related parties	13,586	402
Lease liability	463	231
Total financial liabilities	\$ 18,358	\$ 1,505

The carrying amounts for cash; 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 classified as financial assets and valued using level one inputs.