MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2019

GENERAL

The purpose of this Management's Discussion and Analysis ("MD&A") is to provide readers with management's overview of the past performance of, and future outlook for, Cordoba Minerals Corp., (the "Company" or "Cordoba"). The report also provides information to enhance readers' understanding of the Company's financial statements and highlights important business trends and risks affecting the Company's financial performance. It should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2019 (the "financial statements").

All information contained in this MD&A is current as of March 24, 2020, unless otherwise stated.

The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and on the Company's website, www.cordobaminerals.com.

FORWARD LOOKING STATEMENTS

This MD&A includes "forward-looking statements" and "forward-looking information" within the meaning of Canadian securities legislation. All statements included in this MD&A, other than statements of historical fact, are forward-looking statements. When used in this MD&A, words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict", "foresee" and other similar terminology, or sentences/statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance. These statements reflect Cordoba's current expectations regarding future events, performance and results, and is accurate only at the time of this MD&A, and may be superseded by more current information.

Forward-looking statements also involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Cordoba or its mineral projects to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

In making such statements, Cordoba has made assumptions regarding, among other things: general business and economic conditions; the availability of additional exploration and mineral project financing; the supply and demand for, inventories of, and the level and volatility of the prices of metals; relationships with strategic partners; the timing and receipt of governmental permits and approvals; the timing and receipt of community and landowner approvals; changes in regulations; political factors; the accuracy of the Company's interpretation of drill results; the geology, grade and continuity of the Company's mineral deposits; the availability of equipment, skilled labour and services needed for the exploration and development of mineral properties; and currency fluctuations.

This MD&A also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that ultimately may prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on: (i) fluctuations in mineral prices; (ii) results of drilling; (iii) metallurgical testing and other studies; (iv) proposed and completed mining exploration programs; (v) the evaluation of exploration and drilling plans subsequent to the date of any estimates; and (vi) the possible failure to receive required permits, approvals and licenses.

Although the forward-looking statements or information contained in this MD&A are based upon what management of Cordoba believes are reasonable assumptions, Cordoba cannot assure investors that actual results will be consistent with these forward-looking statements. They should not be read as guarantees of future performance or results. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to: the factors discussed below and under "Risks and Uncertainties"; unanticipated changes in general business and economic conditions or conditions in the financial markets; fluctuations in the price of metals; stock market volatility; the availability of exploration capital and financing generally; changes in national and local government legislation; changes to taxation; changes in interest or currency exchange rates; loss of key personnel; inaccurate geological assumptions; legal disputes or unanticipated outcomes of legal proceedings; social unrest; competition; unavailability of materials and equipment; government action or delays in the receipt of permits or government approvals; community member disturbances; industrial disturbances or other job action; and unanticipated events related to health, safety and environmental matters, including the impact of epidemics.

Forward-looking information is designed to help readers understand management's current views of the Company's near and longer-term prospects, and it may not be appropriate for other purposes. Cordoba will not update any forward-looking statements or forward-looking information unless required to by applicable securities laws.

The forward-looking statements contained herein are based on information available and are made as of March 24, 2020.

TECHNICAL INFORMATION AND QUALIFIED PERSON

The technical information in this MD&A has been reviewed, verified and approved by Charles N. Forster, P.Geo., a Qualified Person for the purpose of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Forster is the Vice President, Exploration of Cordoba and is not considered independent under NI 43-101.

OVERVIEW OF THE BUSINESS

Cordoba is a publicly listed mineral exploration company incorporated under the laws of British Columbia, Canada. The Company's 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.

Cordoba is a Canadian-based exploration and development company with exploration 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.

To date, Cordoba has not generated any revenues from its operations and is considered to be in the exploration stage.

OUTLOOK

Cordoba's plan is to concentrate its near-term exploration and development activities on the San Matias copper-gold-silver project (the "San Matias Project" or "San Matias") in Colombia and on the Perseverance porphyry copper project ("Perseverance Project" or "Perseverance") in the United States. At San Matias, Cordoba plans to accelerate development of the Alacran deposit (the "Alacran Deposit" or "Alacran") and has begun the pre-feasibility studies required to secure the necessary Colombian mining approvals. Cordoba will also pursue further exploration in the San Matias district, including advancing the search for the porphyry sources of the Alacran and Montiel West deposits. At Perseverance, Cordoba has commenced a magneto-telluric ("MT") geophysical survey. The goal of the MT survey is to close off the previously-identified strong conductivity anomaly thought to reflect the southwestern edge of a concealed porphyry copper system.

The Company continues to seek additional project opportunities, primarily in the Americas, the entry costs to which are as-yet undetermined. As such, management will continue to assess the costs of exploration programs at San Matias and Perseverance and may revise the scope of planned programs. Cordoba's current treasury is insufficient to finance all currently planned exploration drilling programs and the Company will need to obtain additional financing in order to further explore and evaluate its mineral properties.

The Company is currently evaluating the impact of the COVID-19 virus, which could create significant uncertainty for the Company and its operations. Countries around the world are imposing lockdowns, curfews and asking people to self-isolate or practice social distancing to try to control the spread of the virus. In Colombia, a Presidential Order has been issued for mandatory nation-wide isolation, which includes strict limits on the movement of people, a restriction on international and domestic air travel and the closure of non-essential businesses. As a result, Cordoba has suspended all in-country operations, but will continue to advance desk-top work on the pre-feasibility studies for mine development at the Alacran Deposit. These measures will have an impact on the Company's operations and its employees. All staff and contractors in Colombia, the United States and Canada are now working from home and self-monitoring for signs of infection.

CORPORATE ACTIVITIES

<u>Strategic equity investment by JCHX Mining Management Co., Ltd.</u>

On January 17, 2020, the Company announced that it had successfully completed a strategic equity investment with JCHX Mining Management Co., Ltd ("JCHX"), whereby the Company issued 91,372,536 common shares of Cordoba to JCHX through a private placement at $0.12 per share, resulting in the receipt of gross proceeds of approximately $11.0 million. On closing, JCHX acquired approximately 19.9% of Cordoba's issued and outstanding common shares and this resulted in the dilution of the ownership interest of the Company's majority shareholder, High Power Exploration Inc. ("HPX"), from 75.3% to approximately 60%.

Upon closing of the private placement, Cordoba and JCHX entered into an investor rights agreement, which provides for certain key provisions:

- JCHX will be entitled to nominate representatives to Cordoba's Board of Directors in proportion to its shareholding (up to a maximum of 20% of the board seats), with one nominee to be added based on JCHX's 19.9% interest;
- JCHX will be granted anti-dilution rights to enable it to maintain its ownership interest;
- JCHX will have a right of first offer to be appointed as the Engineering Procurement Construction contractor in connection with any future mining development on the San Matias Project; and
- JCHX will have a right of first offer in respect of any sale of an equity interest in the San Matias Project.

Financing agreement with High Power Exploration Inc.

In June 2019, the Company announced that it had arranged short-term loan financing of US$2.40 million from HPX, a privately-owned company, which at September 30, 2019, held 70.0% of Cordoba's issued and outstanding common shares. The loan was provided in the form of a grid promissory note ("Promissory Note"), and the Company drew down the entire US$2.40 million (approximately $3.20 million) facility. The Promissory Note had a maturity date of December 31, 2019, an interest rate of 10% per annum, with interest accruing daily and all interest compounding only at maturity. The interest rate would increase to 12% per annum in the event Cordoba did not repay the amount owing upon the maturity date. The purpose of this short-term loan financing was to facilitate completion of the updated Mineral Resource estimate and Preliminary Economic Assessment for the San Matias Project, and to cover corporate costs.

On September 24, 2019, the Company and HPX agreed to convert the principal and interest owed to HPX under short-term indebtedness obligations into common shares of the Company. The total owed to HPX at that time was approximately US$2.94 million ($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 Deposit. As such, 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 was subject to TSX Venture Exchange approval, which was received on October 1, 2019. On October 2, 2019, the common shares were issued and HPX's ownership of Cordoba increased to 75.3%.

On September 25, 2019, the Company announced that it had arranged an additional short-term loan from HPX, drawing down approximately US$500,000 ($662,000) under the same terms of the Promissory Note. A further US$2.03 million ($2.68 million) was drawn down during the quarter ended December 31, 2019 and US$192,000 ($251,000) was drawn down in January 2020, to cover short-term general administrative activities and ongoing exploration and development costs at San Matias.

In January 2020, upon successful closing of the JCHX strategic equity investment, the Company fully repaid the US$2.77 million ($3.62 million) in principal and accrued interest owing to HPX.

Private Placements

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.

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.

Net proceeds from the Offering were used to advance exploration activities at San Matias and Perseverance, while the remaining funds were used for general corporate purposes.

Corporate Reorganization

Effective April 1, 2019, Eric Finlayson, President of HPX, became the President and Chief Executive Officer of Cordoba, and Greg Shenton, Chief Financial Officer of Kaizen Discovery Inc., a company that is also majority controlled by HPX, assumed the role of Chief Financial Officer.

Mr. Finlayson and Mr. Shenton replaced Mario Stifano and Cybill Tsung, respectively, both of whom stepped down from their roles with the Company. Mr. Stifano was retained as a special advisor to the incoming management team and provides strategic guidance. Ms. Tsung provides consulting services to ensure continuity of financial management.

Changes to Board of Directors

On April 1, 2019, Cordoba announced the resignation of Ignacio Rosado from its Board of Directors.

On June 28, 2019, Gibson Pierce was elected to Cordoba's Board of Directors at the Annual and Special Meeting of Shareholders. Peter Meredith and Anthony Makuch did not stand for re-election.

On January 17, 2020, Cordoba announced the successful completion of the JCHX strategic equity investment, and pursuant to the terms of the investor rights agreement with JCHX, JCHX nominated Dr. Peng Huaisheng to the Cordoba Board of Directors. The nomination was accepted, and the appointment expanded the Cordoba Board of Directors to five members.

On February 12, 2020, Cordoba announced that at the Special Meeting of Shareholders, shareholders voted to increase the number of Directors to six and elected Mr. Luis Valencia González as a Director of the Company.

EXPLORATION ACTIVITIES

San Matias Copper-Gold-Silver Project, Colombia

The Company's San Matias Project is located in the Municipality of Puerto Libertador, Department of Córdoba, Colombia, and is approximately 200 kilometres north of Medellín. The site is road-accessible from the town of Puerto Libertador, approximately 20 kilometres away. Cordoba holds exploration licences covering 149 square kilometres and has an additional 2,491 square kilometres of exploration licenses under application. San Matias contains several known areas of porphyry copper-gold, carbonate replacement, and gold vein mineralization.

On January 20, 2020, Cordoba announced its upcoming work program for 2020 at San Matias. Cordoba plans to accelerate development of the Alacran Deposit and has begun the pre-feasibility studies required to secure the necessary Colombian mining approvals[1]. Cordoba also plans to pursue further exploration in the San

[1] Work is currently confined to titles adjacent to Alacran where mine infrastructure would be located. The Alacran title itself remains under force majeure (refer to Cordoba's news release dated August 9, 2019).

Matias district, including advancing the search for the porphyry sources of the Alacran and Montiel West deposits. The spread of COVID-19 is creating significant uncertainty for the Company and its operations. In Colombia, a Presidential Order has been issued for mandatory nation-wide isolation, which includes strict limits on the movement of people, a restriction on international and domestic air travel and the closure of non-essential businesses. As a result, Cordoba has suspended all in-country operations, but will continue to advance desk-top work on the pre-feasibility studies for mine development at the Alacran Deposit.

Cordoba has engaged Nordmin Engineering Ltd. ("Nordmin") to manage the work required to complete the Environmental Impact Assessment ("EIA") and the Mining Technical Work Plan (Programa de Trabajo y Obras or "PTO"), which are required to secure the necessary Colombian mining approvals for the Alacran Deposit. Due to the detailed technical nature of the work required for the EIA and PTO, Nordmin will also complete a pre-feasibility study ("PFS") for Alacran in compliance with NI 43-101.

On July 3, 2019, the Company announced an updated Mineral Resource estimate for the San Matias Project, which was prepared by Glen Kuntz, P. Geo., of Nordmin. The NI 43-101 technical report titled "*NI 43-101 Technical Report And Resource Estimate, San Matías Copper-Gold-Silver Project, Colombia*" was filed on SEDAR on August 16, 2019 and has an effective date of July 3, 2019.

The San Matias project was the subject of a July 2019 Preliminary Economic Assessment ("PEA") titled "NI 43-101 Technical Report and Preliminary Economic Assessment, San Matías Copper-Gold-Silver Project, Colombia" filed on SEDAR on September 10, 2019 with an effective date of July 29, 2019. The PEA outlined a robust project with positive economics and management believes there is considerable scope to enhance project value through optimization studies.

The PEA was prepared by Nordmin, and included revisions to the San Matias Mineral Resource estimate that was completed by Nordmin and announced on July 3, 2019. Refer to the Company's news release dated July 29, 2019 for more PEA information.

Highlights of the PEA include:

- Conceptual 8,000 tonnes per day ("tpd") conventional open pit mining operation, increasing to 16,000 tpd after the processing plant expansion is completed in Year 6 – underpinned by 119.1 million tonnes of modeled mill feed grading 0.45% copper, 0.26 g/t gold and 2.41 g/t silver, supporting a 23-year life of mine. During the first five years, the PEA includes copper, gold and silver grades averaging 0.67%, 0.30 g/t and 3.74 g/t respectively with a low strip ratio of 0.82:1.
- PEA life of mine ("LOM") production of 417,300 tonnes of copper, 724,500 ounces of gold and 5,930,000 ounces of silver contained in a clean copper concentrate and precious metals doré. The copper concentrate is expected to contain very low contents of deleterious elements, such as arsenic and lead.
- Estimated annual copper production of 15,400 tonnes in concentrate in Years 1 to 5; increasing to 20,700 tonnes in Years 6 to 16; and averaging 18,100 tonnes per year over the total 23-year PEA life of mine.
- Average LOM C1 cash costs of US$1.32 per pound of copper, net of precious metals by-product credits.
- Initial capital expenditures of US$161.4 million, expansion capital expenditures of US$120.6 million and total PEA life of mine capital expenditures, including sustaining capital, Tailings Management Facility and reclamation costs, of US$527.5 million.
- Pre-tax NPV of US$347.0 million at an 8% discount rate and a pre-tax IRR of 26.8%, using metals price assumptions of US$3.25 per pound copper, US$1,400 per ounce gold and US$17.75 per ounce silver.

A COP/US foreign exchange rate of 3,125:1 was applied. Pre-tax values include Colombian mining royalties of 4% of total precious metals revenue and 5% of total copper revenue.

- After-tax NPV of US$210.7 million at an 8% discount rate and an after-tax IRR of 20.3%, representing a 5.3-year payback using the same metals price assumptions.
- Over the PEA life of mine, the San Matias Project is expected to generate $180.7 million in royalty revenue plus US$331.2 million in income tax revenue to the government.
- Cordoba has identified additional opportunities to enhance the overall project economics, including delineation of the high-grade gold veins contained within the Alacran Deposit and optimization of mineral processing and metals recovery. Potential also exists for the discovery of the porphyry sources for the Alacran and Montiel West deposits and for other deposits within the San Matias Project area.
- Indicated Mineral Resources at San Matias total 114.3 million tonnes grading 0.45% copper, 0.26 g/t gold and 2.42 g/t silver. Inferred Mineral Resources total 4.8 million tonnes grading 0.26% copper, 0.20 g/t gold and 1.21 g/t silver.

The PEA was independently prepared by Mr. Glen Kuntz, P.Geo., and Ms. Agnes Krawczyk, P.Eng., both of Nordmin, who are considered "Qualified Persons" under NI 43-101. The technical disclosure above is based upon the information in the PEA prepared by or under the supervision of Mr. Kuntz and Ms. Krawczyk.

The San Matias 2019 PEA is preliminary in nature and includes an economic analysis that is based, in part, on Inferred Mineral Resources. Inferred Mineral Resources are considered too speculative geologically for the application of economic considerations that would enable them to be categorized as Mineral Reserves and there is no certainty that the PEA results will be realized. Mineral Resources do not have demonstrated economic viability and are not Mineral Reserves.

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 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 the 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 to the OMNI Parties on or before June 30, 2020. At December 31, 2019, the Company has recorded in the consolidated financial statements a liability of $16.90 million and a corresponding non-current other asset for the right to acquire the 100% interest in the Alacran Deposit.

Legal Actions in Colombia

On June 26, 2018, the Company terminated the employment contract of the former President of the Company's Colombian subsidiary, Minerales Cordoba S.A.S. ("Minerales"). Following this termination, new management of Minerales discovered a number of financial irregularities in Colombia which were completed during the former President's tenure. Cordoba commenced a review of these transactions and discovered that other members of the former Colombian management of Minerales were involved in the transactions as well.

As a result of the ongoing review, 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. The monetary amounts alleged to have been taken are not yet finally determined, but are currently expected to exceed US$500,000.

The ongoing review resulted in a write-off of US$55,000 ($75,000) from prepaid expenses at December 31, 2018, representing unrecoverable deposits paid on certain purchase agreements that the Company will not continue to pursue.

All of the Company's mining titles, applications and operations in Colombia remain in good standing.

Exploration Update

During the year ended December 31, 2019, field exploration outside the Alacran Deposit was focused on the Willian area, 6 kilometres to the south of Alacran, where the same stratigraphy is exposed. Mapping at Willian has identified outcrops of hydrothermally altered and mineralized Alacran-equivalent host rocks containing copper minerals such as chalcopyrite, malachite and native copper. There is also float of heavily-altered intrusive rocks.

In April 2019, the Company also re-started drilling at Alacran in order to maintain the exploration license in good standing. This campaign was directed towards identifying a potential underlying source of mineralized porphyry copper clasts observed in outcrop and in drill core of diatreme breccia.

The first hole ACD082 was terminated at 550 metres after the hole traversed a late-mineral diorite sill from surface to 486 metres and then entered Unit 2 of the Alacran stratigraphy, the primary host to the replacement copper-gold mineralization. Unit 2 was essentially unmineralized in the drill core and there was no geological evidence of the causative porphyry. Hole ACD083 tested the northern strike extension of Unit 2, the potential northern extension of the diatreme breccias containing the mineralized porphyry fragments and float occurrences of altered intrusive rock. The hole was completed at 384 metres after intersecting Unit 1 rhyolite from surface to 50 metres depth, altered Unit 2 limestones and tuffs from 50 metres to 102 metres, a diorite sill from 102 metres to 331 metres and Unit 3 hematite-bearing siltstone to the bottom of the hole. Given that Unit 2 was only weakly mineralized in ACD083, the replacement copper-gold mineralization at Alacran is postulated to be waning to the north of the known resource. Narrow carbonate-base metal ("CBM") veins were scattered throughout the hole, including a 2 centimetre-wide bornite-bearing veinlet at 333 metres, demonstrating that the CBM overprint seen within the main Alacran Deposit extends to ACD083.

On May 9, 2019, the Company announced the suspension of diamond drilling operations at Alacran due to potential security concerns raised by Company personnel and contractors after receiving demands and threats. The security and safety of the Company's employees, contractors and the local communities is of the highest importance and the suspension of operations will continue until the satisfactory completion of an investigation by the authorities.

On August 9, 2019, the Company announced that following its news release dated May 9, 2019, it had submitted a request to the National Mining Agency ("ANM") to temporarily suspend all obligations of the Company relating to the Alacran title. The ANM and Ministry of Defense subsequently conducted a review of safety at Alacran, determined that the Company's request was appropriate, and approved a suspension of all obligations as a result of force majeure until May 23, 2020. Suspended obligations include the minimum drilling requirements and completion of the EIA and PTO.

As of March 24, 2020, all obligations of the Company relating to the Alacran title remain suspended. Cordoba continues to maintain good relations with local communities in the surrounding area.

Cordoba may request that the ANM lift the suspension at any time, if conditions allow, so that exploration drilling at Alacran may restart. In the interim, the Alacran title will remain in good standing.

The Colombian authorities have identified the San Matias Project as a project of national interest and have pledged their assistance in advancing the project as quickly as possible.

Perseverance Joint Venture, Arizona

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.

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 consists 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. These warrants expired unexercised in August 2019.

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

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

- Phase 1 - $1.0 million within 18 months to earn a 25% interest (completed).
- Phase 2 - An additional $3.0 million within the subsequent 2 years for a total 51% interest.
- Phase 3 - An additional $3.0 million within the subsequent 2 years for a total 70% interest.
- Phase 4 - An additional $10.0 million within the subsequent 2 years for a total 80% interest.

On March 31, 2019, Cordoba's Phase 1 project expenditures surpassed $1.0 million and the Company acquired 25% of MMDEX in May 2019.

Exploration Update

In January 2020, Cordoba retained Quantec Geoscience ("Quantec") to extend magneto-telluric (MT) geophysics coverage at Perseverance using their Spartan MT system. The goal of the survey is to fully delineate a deep low-resistivity anomaly that had been identified by a 2017 MT survey and that remained open to the northeast. This anomaly is thought to reflect the southwestern edge of a concealed porphyry system. Similar, large low-resistivity anomalies are associated with major porphyry copper systems elsewhere in the United States.

Previously, on May 21, 2019, the Company provided an update on diamond drilling activity and final assay results of drill hole K-20 at Perseverance. K-20 is the first hole drilled under the Joint Venture Agreement between Cordoba and Bell Copper.

Highlights were as follows:

- The hole was pre-collared to a depth of approximately 300 metres before core drilling commenced in September 2018.
- Assay results from the hole, drilled vertically to a depth of 1,319 metres, returned anomalous copper values averaging 415 ppm copper over 595 metres (using a 200 ppm copper cut-off grade), beginning at a depth of 683 metres. The Company believes that this long intercept of anomalous copper indicates that the hole intersected the lower grade, peripheral part of a porphyry copper system.

- Porphyry-type propylitic, potassic, phyllic and advanced argillic alteration are all present in K-20 drill core. While epidote-rich propylitic alteration is pervasive, the other alteration types follow high-angle fractures and commonly show overprinting relationships. These fractures channeled copper-bearing fluids from a nearby porphyry source. Down-hole geophysical logging by Acoustic Televiewer suggested that this source lies to the northeast of K-20.
- The presence of hypogene enrichment of chalcopyrite mineralization by bornite and chalcocite was also noted in the drill hole. This is a key hydrothermal process in the giant, high-grade Resolution porphyry copper deposit in Arizona.

EXPLORATION AND EVALUATION EXPENDITURES

(Tabular amounts are expressed in thousands of Canadian dollars)

Exploration expenses ("E&E") are summarized by project as follows:

	Year ended December 31, 2019	2018	Year ended December 31, 2019	2018	Year ended December 31, 2019	2018	Year ended December 31, 2019	2018
	San Matias		Perseverance		Other		Total	
Direct exploration costs	**$ 1,526**	$ 1,113	**$ 519**	$ 691	**$ -**	$ -	**$ 2,045**	$ 1,804
Indirect exploration costs	**1,308**	2,385	**175**	42	**-**	-	**1,483**	2,427
Site G&A costs	**2,411**	1,906	**71**	31	**-**	-	**2,482**	1,937
E&E acquisition costs	**2,046**	1,279	**45**	-	**-**	-	**2,091**	1,279
Share-based payments	**-**	-	**-**	-	**76**	132	**76**	132
Total E&E expenditures	**$ 7,291**	$ 6,683	**$ 810**	$ 764	**$ 76**	$ 132	**$ 8,177**	$ 7,579

SELECTED ANNUAL INFORMATION

(Tabular amounts are expressed in thousands of Canadian dollars, except for per share amounts)

The following table provides information for the years ended December 31, 2019, 2018 and 2017:

	December 31, 2019	**December 31, 2018**	**December 31, 2017**
Total revenue	**$ -**	$ -	$ -
Net loss for the year	**10,629**	9,922	79,341
Total comprehensive loss for the year	**10,775**	9,770	79,437
Loss per share - basic and fully diluted	**0.03**	0.04	0.57
Total assets	**20,890**	3,833	5,476
Total non-current liabilities	**132**	37	-
Dividends paid	**-**	-	-

As the Company is in the exploration stage, it does not generate operating revenue.

Net loss for the year ended December 2019 was slightly higher than the net loss for the year ended December 31, 2018 primarily due to higher exploration expenditures relating to the San Matias Project. In the year ended December 31, 2018, the Company focused its efforts on regional exploration and investigating the source of Alacran's mineralization; whereas, in the year ended December 31, 2019, a drilling campaign at Alacran was re-initiated and extensive expenditure was incurred to update the Mineral Resource estimate and complete the PEA for San Matias. The net loss for the year ended December 31, 2017 was significantly higher than the years ended December 31, 2018 and December 31, 2019 primarily due to the consideration paid to HPX in 2017 to acquire HPX's 51% interest in San Matias. The fair value of the shares issued as consideration was $62,096,464 on the transactions closing date and was expensed as E&E acquisition costs for the year ended December 31, 2017. Furthermore, exploration and evaluation costs were also higher due to the aggressive drilling program in Colombia in 2017, which aimed at expanding the size of the Alacran Deposit, as well as testing other high priority targets at San Matias.

Total assets at December 31, 2019 is higher than at December 31, 2018 and December 31, 2017, primarily due to a $16.90 million increase resulting from the recognition of a non-current asset for the Company's right to acquire a 100% interest in the Alacran Deposit under the terms of the Option Agreement.

Total non-current liabilities consist of lease obligations. Lease obligations increased at December 31, 2019 as the Company adopted IFRS 16, *Leases* ("IFRS 16"), which resulted in the recognition of additional lease contracts on the consolidated statements of financial position.

SELECTED QUARTERLY INFORMATION

(Tabular amounts are expressed in thousands of Canadian dollars, except for per share amounts)

The following table provides information for the eight fiscal quarters ended December 31, 2019:

	31-Dec-2019	30-Sep-2019	30-Jun-2019	31-Mar-2019
Revenue	$ -	$ -	$ -	$ -
Exploration and evaluation expenditures *	2,053	1,493	3,003	1,627
Other operating expenses *	603	683	488	608
Net loss	2,546	2,417	3,443	2,222
Net loss attributable to owners of Cordoba Minerals Corp.	2,427	2,396	3,382	2,222
Loss per share attributable to owners of Cordoba Minerals Corp. - basic and fully diluted	0.01	0.01	0.01	0.01
Total assets	20,890	20,691	3,878	4,655
Total liabilities	22,205	23,388	4,259	1,534
Shareholders' (deficit) equity	(1,315)	(2,697)	(382)	3,120

	31-Dec-2018	30-Sep-2018	30-Jun-2018	31-Mar-2018
Revenue	$ -	$ -	$ -	$ -
Exploration and evaluation expenditures *	1,703	1,377	2,000	2,499
Other operating expenses *	554	593	711	444
Net loss	2,200	1,991	2,769	2,962
Net loss attributable to owners of Cordoba Minerals Corp.	2,200	1,991	2,769	2,962
Loss per share attributable to owners of Cordoba Minerals Corp. - basic and fully diluted	0.01	0.01	0.01	0.01
Total assets	3,833	3,054	2,919	4,184
Total liabilities	818	514	3,013	1,890
Shareholders' (deficit) equity	3,015	2,541	(94)	2,293

* The Company has allocated its share-based payments expense between exploration and evaluation expenditures and corporate administration, based on the nature of the employee or contractors work.

The changes in the Company's financial results on a quarter-by-quarter basis are due primarily to fluctuations in the level of activity of the Company's exploration programs, project acquisitions and administration. The Company is a mineral exploration company and does not currently generate operating revenue.

E&E expenditures for the three quarters ended September 30, 2018 included fieldwork and property payments relating to the Company's option to earn a 100% interest in the Alacran Deposit. In the quarter ended December 31, 2018, E&E expenditures increased as the Company commenced a drilling campaign at the Perseverance Project in Arizona, which continued throughout the quarter ended March 31, 2019. While exploration at Perseverance concluded on March 31, 2019, drilling activity then began at Alacran until it was suspended due to security concerns during the quarter ended June 30, 2019. The significant increase in E&E for the quarter ended June 30, 2019 was due to a $1.34 million (US$1.00 million) option payment relating to the Company's option to earn a 100% interest in the Alacran Deposit, as well as technical consulting expenditures that were incurred while preparing the PEA, which also contributed to the increase of E&E in the quarter ended September 30, 2019. E&E increased in the quarter ended December 31, 2019 as the Company incurred E&E acquisition costs and prepared for its planned 2020 work program to accelerate development of the Alacran Deposit.

Other operating expenses fluctuate based on corporate activity, including non-cash share-based payments.

The fluctuations in total assets and shareholders' (deficit) equity generally reflect the timing and receipt of equity financing which increased cash resources in certain periods, while continued funding of the Company's exploration and evaluation expenditures and corporate administration decreased cash resources.

The significant increase in total assets and liabilities in the quarter ended September 30, 2019 relates primarily to the Company's contractual obligation to make the fifth and final cash payment of US$13 million (approximately $17.22 million at September 30, 2019) to the OMNI Parties, pursuant to the Option Agreement. At September 30, 2019, the Company recorded a liability of $17.22 million and a corresponding non-current other asset for the right to acquire the 100% interest in the Alacran Deposit. At December 31, 2019, the non-current other asset and liability related to the Alacran Deposit were revalued to $16.90 million.

Liabilities also fluctuated due to drawdowns on the Promissory Note during the quarters ended June 30, September 30, and December 31, 2019. During the quarter ended December 31, 2019, draw-downs on the Promissory Note prior to September 25, 2019 and an accrued option payment related to the Alacran Deposit were converted into common shares of the Company.

The increase in total liabilities in the quarter ended March 31, 2019 relates to an increase in accounts payable and accrued liabilities, as well as the adoption of IFRS 16, which resulted in lease obligations (which previously would have been recorded as operating expenses) being recorded in the consolidated statements of financial position.

The increase in total liabilities for the quarters ended March 31, 2018 and June 30, 2018 was primarily due to draw-downs on the short-term loan provided by HPX in the first quarter of 2018. Additionally, for the quarter ended June 30, 2018, the Company accrued an option payment of approximately $562,000 (US$426,000) relating to the Alacran Deposit.

RESULTS OF OPERATIONS

(Tabular amounts are expressed in thousands of Canadian dollars)

	Three months ended December 31,		**Twelve months ended December 31,**	
	2019	**2018**	**2019**	**2018**
Exploration and evaluation expenditures	**$ 2,053**	$ 1,703	**$ 8,177**	$ 7,580
Corporate administration	**446**	529	**2,023**	2,232
Amortization	**157**	25	**357**	69
Other income	**(38)**	(15)	**(75)**	(47)
Interest expense	**84**	-	**218**	66
Foreign exchange (gain) loss	**(156)**	(42)	**(71)**	22
Net loss for the period	**$ 2,546**	$ 2,200	**$ 10,629**	$ 9,922

For the three and twelve months ended December 31, 2019 and 2018, E&E expenditure comprises:

	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Direct exploration costs	**$ 199**	$ 552	**$ 2,045**	$ 1,804
Indirect exploration costs	**437**	525	**1,483**	2,427
Site general and administration costs	**727**	617	**2,482**	1,938
E&E acquisition costs	**678**	-	**2,091**	1,279
Share-based payments	**12**	9	**76**	132
Exploration and evaluation expenditures	**$ 2,053**	$ 1,703	**$ 8,177**	$ 7,580

Fourth Quarter Results – Three months ended December 31, 2019 ("Q4 2019") compared to the three months ended December 31, 2018 ("Q4 2018")

Exploration and evaluation expenditures

E&E expenditures in Q4 2019 increased by approximately $350,000 compared to Q4 2018. The change related to changes in, and the timing of, the exploration activities that occurred in both Colombia and the United States. An increase in E&E acquisition costs in Colombia was offset by lower expenditures at Perseverance. At Perseverance, activity was very low during Q4 2019, while during Q4 2018 there was drilling activity throughout the entire quarter.

Direct exploration costs decreased by approximately $353,000 in Q4 2019 compared to Q4 2018. The decrease primarily relates to an approximate $338,000 decrease at Perseverance, due to the timing of the Company's exploration activities in 2018 compared to 2019. In Q4 2018, the Company had commenced its drilling program at Perseverance, incurring significant expenditures throughout the entire quarter. This drill program ultimately concluded in Q1 2019, thus, activity and expenditures relating to direct exploration since this time has been insignificant, and the Company incurred significantly lower expenditures in Q4 2019 as a result. Direct exploration expenditures in Colombia in Q4 2019 remained consistent with Q4 2018, as decreases in trenching and field costs in Q4 2019 were offset by increases in technical consulting, as the Company worked on planning and preparing for its 2020 work program.

Indirect exploration costs decreased approximately $88,000 in Q4 2019 compared to Q4 2018. The decrease relates to an approximate $129,000 decrease in Colombia, offset by an increase of approximately $41,000 at Perseverance. In Q4 2018, indirect exploration costs in Colombia comprised primarily canon payments and significant amounts of environmental and social work. In Q4 2019, the required canon payments were lower than in the comparative quarter, and the Company incurred reduced expenditures on salaries and overhead, which were offset by increases in expenditure relating to environmental and social work. At Perseverance, salary and benefits were lower in Q4 2019 as overall activity was low compared to Q4 2018. This decrease was offset by payments made to landholders, relating to land access at Perseverance.

Site general and administration costs increased by approximately $110,000 in Q4 2019 as compared to Q4 2018. This increase primarily reflected a significant increase in professional fees incurred in Colombia related to ongoing legal matters (see the Company's news releases dated January 30, 2019; May 9, 2019; and August 9, 2019).

E&E acquisition costs of $678,000 were incurred in Colombia in Q4 2019 compared to $Nil in Q4 2018.

Corporate administration

Corporate administration expenditures in Q4 2019 remained relatively consistent compared to Q4 2018, and the small decrease of $83,000 is primarily due to a $60,000 decrease in share-based payments (share-based payments are calculated based on the fair value of the underlying options at date of grant and are amortized over the vesting patterns for each option). This amortization is typically not consistent from period to period. Furthermore, as the Company had limited financial resources during Q4 2019, expenditures on office administration, travel and investor relations were reduced.

Amortization

In Q4 2019, the Company recorded $157,000 in amortization expense, which was an increase of approximately $132,000 compared to Q4 2018. This increase is attributable to the initial adoption and application of IFRS 16 on January 1, 2019, which resulted in the recognition of right-of-use ("ROU") assets upon recognition of a lease liability. IFRS 16 was not applicable in 2018.

Interest expense

In Q4 2019, the Company recorded approximately $84,000 in interest expense compared to $Nil in Q4 2018. Interest expense in Q4 2019 relates primarily to accrued interest on the Promissory Note and lease liabilities that were recognized as a result of initial application of IFRS 16*.*

Year-To-Date Results – Year ended December 31, 2019 ("YTD 2019") compared to the Year ended December 31, 2018 ("YTD 2018")

Exploration and evaluation expenditures

E&E expenditures in YTD 2019 increased by approximately $597,000 compared to YTD 2018. This increase primarily relates to increased E&E activity in Colombia.

Direct exploration costs increased by approximately $241,000 in YTD 2019 compared to YTD 2018. The increase results from an increase of approximately $413,000 in expenditures relating to the San Matias Project, offset by a $172,000 decrease in expenditure relating to Perseverance. The Company's YTD 2019 direct exploration expenditure at Perseverance consisted primarily of drilling activity in January and March 2019, which originally commenced in September 2018 and continued throughout the remainder of 2018. The increase in direct exploration expenditures in Colombia primarily relates to differences in the types of activities that were undertaken in YTD 2019 compared to YTD 2018. The Company did not perform any drilling in Colombia in YTD 2018, as it had concluded a drilling program at the end of 2017, resulting in YTD 2018 exploration work largely consisting of fieldwork activities such as additional sampling, trenching and other general field costs. In YTD 2019, the Company re-started its drilling program, only to suspend operations after approximately one month of drilling. Although the types of activities performed in YTD 2018 and YTD 2019 differed in Colombia, the Company incurred similar levels of field-related expenditures, and the significant increase related largely to professional and consulting fees incurred as part of preparation and completion of the PEA, which was finalized in Q3 2019.

Indirect exploration costs decreased in YTD 2019 by approximately $944,000 compared to YTD 2018. This difference is a result of changes in activities in both Colombia and the United States. In the United States, an increase of approximately $133,000 in YTD 2019 is attributable to an increase in salaries and benefits, as well as rental and renewal payments, which were incurred over the course of an entire year in YTD 2019, compared to having only been incurred from August 2018 onwards in YTD 2018. In Colombia, YTD 2018 indirect exploration costs included salaries and benefits, security, canon payments, significant environmental and social work, as well as regional evaluation work for projects outside of San Matias. In YTD 2019, the required payments relating to canon fees and land titles were considerably lower than YTD 2018. As well, the Company shifted focus in YTD 2019 to re-initiate its drilling program and other exploration efforts at San Matias, and consequently, reduced efforts related to regional exploration and evaluation. Furthermore, exploration salaries decreased appreciably due to reductions in staff levels, including the employment of a part-time VP of Exploration in YTD 2019, compared to a full-time VP of Exploration in YTD 2018. This significant decrease was offset by increased expenditure relating to environmental and social work requirements, security costs, and general camp costs.

Site general and administration costs increased by approximately $544,000 in YTD 2019 as compared to YTD 2018. This increase related to significant increases in professional fees incurred in Colombia due to ongoing legal matters (see the Company's news releases dated January 30, 2019; May 9, 2019; and August 9, 2019). This increase in professional fees is partially offset by decreases in both salaries and travel expenses.

E&E acquisition costs in both YTD 2019 and YTD 2018 consisted primarily of option payments made to the OMNI Parties, which were made in accordance with the terms of the Option Agreement to acquire an interest in Alacran. The $812,000 increase in YTD 2019 related to differences in foreign exchange, as the option payments are denominated in US dollars, additional fees paid as part of an agreement to extend the due date of the February 2019 option payment by three months and other E&E acquisition costs in Colombia.

Corporate administration

Corporate administration expenditures in YTD 2019 remained relatively consistent compared to YTD 2018. Share-based payments in YTD 2019 decreased by approximately $242,000 compared to YTD 2018. As a result of the corporate reorganization (see the Company's news release dated April 1, 2019), salaries and benefits increased slightly due to ongoing commitments to former employees. Professional fees increased by $181,000 in YTD 2019 compared to YTD 2018, and was offset by decreases in travel, investor relations, compliance and regulatory and other expenditures.

Amortization

In YTD 2019, the Company recorded approximately $357,000 in amortization expense, which was an increase of approximately $288,000 compared to YTD 2018. This increase is attributable to the initial adoption and application of IFRS 16, which results in the recognition of ROU assets upon recognition of a lease liability.

Interest expense

In YTD 2019, the Company recorded approximately $218,000 in interest expense compared to approximately $66,000 in YTD 2018. Interest expense in YTD 2019 primarily consists of accrued interest expense of approximately $133,000 relating to outstanding debt to HPX that existed during the year and approximately $47,000 relating to leases that were recognized as a result of initial application of IFRS 16. In YTD 2018, interest expense related primarily to accrued interest on a former short-term loan from HPX.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2019, the Company had cash and cash equivalents of approximately $247,000 (December 31, 2018 - $748,000) to apply against short-term business requirements and current liabilities of $22.07 million (December 31, 2018 - $781,000).

The primary uses of cash during the year ended December 31, 2019 were for funding operating activities of $8.89 million (December 31, 2018 - $7.87 million).

In February and March 2019, the Company completed a non-brokered private placement in three tranches, issuing an aggregate of 22,800,000 units for net proceeds of $2.19 million.

On September 24, 2019, the Company announced it had agreed with HPX to convert the principal and interest owed to HPX under short-term indebtedness obligations into common shares of the Company. The total owed to HPX at that time was US$2.94 million ($3.90 million) arising from 2019 advances under the Promissory Note and deferral of an Alacran option payment. On October 2, 2019, upon conversion of the debt, Cordoba issued 65,059,800 common shares at a price of $0.06 per share.

On September 25, 2019, the Company announced that it had arranged additional short-term loan financing under the Promissory Note, and had drawn down US$500,000 ($662,000). A further US$2.03 million ($2.68 million) was drawn down during the quarter ended December 31, 2019 and US$192,000 ($251,000) was drawn down in January 2020. The Promissory Note had a maturity date of December 31, 2019, and an interest rate of 10% per annum, with interest accruing daily and all interest compounding only at maturity. The interest rate increased to 12% per annum if the loan was not repaid before the maturity date.

In January 2020, upon successful closing of the JCHX strategic equity investment totaling approximately $11 million, the Company fully repaid the US$2.77 million ($3.62 million) in principal and accrued interest owing to HPX.

At December 31, 2019, the Company believed that it had adequate resources to maintain its minimum near-term obligations, including general corporate activities, based on its cash position, the pending JCHX strategic equity investment and the ability to pursue additional sources of financing, including equity placements. In order for the Company to meet its obligations including the fifth and final cash payment of US$13 million to the OMNI Parties, the Company is pursuing further financing.

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 ability of the Company 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. 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. 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. In addition, the spread of COVID-19 is having a negative impact on the financial markets which is expected to affect the Company's ability to obtain additional financing, and may have a material adverse effect on the Company's business, results of operations and financial condition. As such, there is material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

During the year ended December 31, 2019, the Company was not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, capital expenditures, liquidity or capital resources of the Company.

PROPOSED TRANSACTIONS

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(Tabular amounts are expressed in thousands of Canadian dollars)

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the Company's consolidated financial statements and this MD&A.

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

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

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

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

Credit Risk

Credit risk is the risk of 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.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due.

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. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At December 31, 2019, the Company had cash and cash equivalents of $247,000 (December 31, 2018 - $748,000) to apply against third-party short-term business requirements and current liabilities of $22.07 million (December 31, 2018 - $781,000). With the exception of the fifth and final cash payment to the OMNI Parties and the lease liabilities, the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms.

The Company believes that based on a combination of its cash position, the closing of the JCHX strategic equity investment on January 17, 2020, 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 general corporate activities, through to December 31, 2020.

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.

Currency Risk

The Company reports its financial results in Canadian dollars but also undertakes transactions in various foreign currencies, such as the US dollar and Colombian peso. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in Colombia and cash and borrowings in US dollars. The Company monitors its foreign exchange exposure, but has not entered into any financial instruments to hedge currency risk.

As at December 31, 2019, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	December 31, 2019		**December 31, 2018**	
	US Dollars	**Colombian Pesos**	**US Dollars**	**Colombian Pesos**
Cash and cash equivalents	**$ 130**	**$ 76**	$ 714	$ 9
Other receivables	**-**	**17**	-	9
Accounts payable and accrued liabilities	**(28)**	**(327)**	-	(190)
Due to related parties	**(3,452)**	**-**	(143)	-
Other liability	**(17,548)**	**-**	-	-
Current and non-current lease obligation	**(35)**	**(370)**	(42)	-
	$ (20,933)	**$ (604)**	$ 529	$ (172)

Based on the above net exposures at December 31, 2019, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an increase or decrease of approximately $2.15 million (December 31, 2018 - $36,000) in the Company’s net loss and comprehensive loss for the year.

Determination of Fair Value

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 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.

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**	$	748
Other receivables		**19**		8
Deposits		**196**		203
Financial assets measured at FVTOCI				
Investments		**186**		171
Financial assets measured at FVTPL				
Warrants		**-**		29
Total financial assets	**$**	**648**	$	1,159
Financial liabilities measured at amortized cost				
Accounts payable and accrued liabilities	**$**	**676**	$	550
Due to related parties		**3,567**		226
Lease liability		**414**		42
Other liability		**17,548**		-
Total financial liabilities	**$**	**22,205**	$	818

Fair Value Hierarchy

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.

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 interests in are in the exploration stage; as such, the Company is dependent on external financing to fund its activities.

The Company will 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. There have been no changes to the Company's approach to capital management during the year ended December 31, 2019.

RELATED PARTY TRANSACTIONS

(Tabular amounts are expressed in thousands of Canadian dollars)

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 detailed below and under Private Placements in the "Corporate Activities" section of this MD&A, are in the normal course of operations and are measured at the exchange amount of the services rendered.

Expenses

During the year ended December 31, 2019, the Company incurred $82,000 (2018 - $349,000) in E&E expenditures 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 and 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 $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.

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.

Amounts due to related parties

		December 31, 2019		December 31, 2018
GMM payables and accrued liabilities	**$**	**135**	$	114
HPX payables and accrued liabilities		**102**		112
HPX short-term loan		**3,331**		-
Total due to related parties	**$**	**3,568**	$	226

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

In June 2019, the Company arranged short-term loan financing of US$2.40 million from HPX under the terms of the Promissory Note. The Promissory Note had a maturity date of December 31, 2019, and an interest rate of 10% per annum, with interest accruing daily and all interest compounding only at maturity. The interest rate was to increase to 12% per annum in the event that the Company did not repay the amount owing upon the maturity date. On September 24, 2019, the Company announced it had agreed with HPX to convert the principal and interest owed to HPX under short-term indebtedness obligations into common shares of the Company. The total owed to HPX was US$2.94 million ($3.90 million), arising from 2019 advances under the Promissory Note and deferral of the fourth option payment under the Alacran Option Agreement. On October 2, 2019, upon conversion of the debt, Cordoba issued 65,059,800 common shares at a price of $0.06 per share.

On September 25, 2019, the Company arranged an additional short-term loan from HPX under the Promissory Note. At December 31, 2019, the total carrying value of the Promissory Note including accrued interest was approximately 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 the strategic equity investment by JCHX.

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 approximately $35,158 with a remaining lease term of 59 months and an interest rate of 11.29%.

Other Liability

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

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 year ended December 31, 2019 and 2018, key management compensation includes:

		Year ended December 31,		
		2019		**2018**
Salaries and benefits	**$**	**712**	$	856
Share-based payments *(i)*		**119**		517
Total key management compensation	**$**	**831**	$	1,373

(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.

SHARE POSITION AND OUTSTANDING WARRANTS AND OPTIONS

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

At March 24, 2020, the Company had the following issued and outstanding:

- 456,871,130 common shares.
- 49,405,128 share purchase warrants with a weighted average exercise price of $0.13.
- 8,604,038 stock options with a weighted average exercise price of $0.37. Each stock option is exercisable to purchase one common share of the Company at prices ranging from $0.065 to $1.00.
- 1,534,614 deferred share units.
- 273,338 restricted share units.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

For the disclosure required under Section 5.3 of National Instrument 51-102 – *Continuous Disclosure Obligations*, please see “Exploration Update”, “Selected Quarterly Information” and “Exploration and Evaluation Expenditures”.

OTHER DATA

Additional information related to the Company is available for viewing under the Company’s profile at www.sedar.com.

ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

The Company has consistently applied the accounting policies set out in Notes 2 and 3 of the Company’s audited consolidated financial statements for the year ended December 31, 2019 to all the periods presented in this MD&A, including the initial application of IFRS 16, *Leases*.

Effective January 1, 2019, the Company adopted 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 an 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:

- 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 end 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 approximately $182,000 to both the Company's ROU assets and lease liabilities on initial application of IFRS 16. The incremental borrowing rate for lease liabilities initially recognized on adoption of IFRS 16 was 14%.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET APPLIED

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.

RISKS AND UNCERTAINTIES

The Company is engaged in mineral exploration and development activities which, by nature, are speculative. Due to the high-risk nature of the Company's business and the present stage of the Company's various projects, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A and the Company's other public disclosures, including the risks described below, prior to making any investment in the Company's common shares.

The risks below do not necessarily comprise all of the risks faced by the Company. Additional risks not currently known to the Company, or that the Company currently considers immaterial, may also adversely affect the Company's business, result of operations, financial results, prospects and price of common shares.

Mineral Property Exploration and Mining Risks

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

Title to Mineral Property Risks

The Company's right to the Alacran Deposit is subject to the terms of an Option Agreement, which requires, amongst other things, that the Company make a final option payment of thirteen million dollars (US$13,000,000) on or before June 30, 2020 in order to obtain and secure a one hundred percent (100%) interest in the property. If the Company fails to make such payment, it will forfeit its interest in the property. Any failure by the Company to obtain or secure title to the property could have an adverse effect on the Company and the value of the Company's common shares.

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

Reliability of Mineral Resource Estimates

There is no certainty that the Mineral Resources attributable to San Matias or to the Company will be realized. There is a degree of uncertainty in the estimation of Mineral Resources. Until Mineral Resources are actually mined and processed, the quantity of Mineral Resources and related grades must be considered as estimates only.

Estimation of Mineral Resources is a subjective process that relies on the judgment of the persons preparing the estimates. The process relies on, among other things, the quantity and quality of available data and is based on knowledge, mining experience, analysis of drilling results and industry practice. Valid estimates made at a given time may change significantly in the future when new information becomes available. By their nature, Mineral Resource estimates are imprecise and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Inferred Mineral Resources, in particular, have a degree of uncertainty as there is a limited ability to assess geological continuity. There is a risk that any estimate of Inferred Mineral Resources will not be capable of upgrading to Mineral Resources with sufficient continuity to allow them to be used in connection with the estimation of Mineral Reserves. In addition, estimates of Mineral Resources may have to be recalculated based on fluctuations in copper and gold or other metal prices, results of drilling, metallurgical testing and production, including dilution, and the evaluation of mine plans subsequent to the date of any estimates. Any material change in the quantity of Mineral Resources or the related grades may affect the economic viability of the projects at which a Mineral Resource has been identified and could have a material adverse effect on the Company’s business, financial condition, results of operations or prospects.

Commodity Price Risk

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

Financing and Share Price Fluctuation Risks

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

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

HPX and JCHX Exercise Significant Control over the Company

HPX and JCHX between them hold approximately 80% of the issued and outstanding Common Shares. Each of HPX and JCHX have certain rights with respect to future financings, positions on the Company’s Board and rights with respect to the development of San Matias. As a result, both HPX and JCHX have the ability to significantly influence the outcome of any matter submitted for vote by the Company’s shareholders or restrict the Company from certain corporate transactions. In some cases, the interests of HPX or JCHX may not be the same as each other or those of the Company’s other shareholders, and conflicts of interest may arise from time to time that may be resolved in a manner that may have an adverse effect on the Company or its minority shareholders.

Political, Economic and Currency Risks

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

The Company's equity financings are sourced in Canadian dollars and the Company incurs expenditures in Canadian dollars, Colombian pesos and US dollars. At this time there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the Colombian peso or US dollar could have an adverse effect on the Company's operations.

Foreign Operations

Cordoba operates in foreign countries, including the United States and Colombia, where there are added risks and uncertainties. Risks of foreign operations include political unrest, labour disputes and unrest, invalidation of governmental orders and permits, corruption, organized crime, theft, war, civil disturbances and terrorist actions, arbitrary changes in law or policies of particular countries (including nationalization of mines), trade disputes, foreign taxation, price controls, delays in obtaining or renewing or the inability to obtain or renew necessary environmental permits, opposition to mining from environmental or other non-governmental organizations, social perception impacting our social licence to operate, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports and increased financing costs. There can be no assurance that changes in the government or laws, or changes in the regulatory environment for mining companies, or for non-domiciled companies, will not be made, that would adversely affect Cordoba's business, financial condition, results of operations and prospects.

Security

In May 2019, the ANM suspended the Alacran title as a result of public order and security in the area around San Matias. The suspension is in effect until May 23, 2020. Suspended obligations relate to all obligations on the Alacran title, including minimum drilling requirements. The Company may request that the ANM lift the suspension at any time, if conditions allow, so that exploration drilling at Alacran may restart. In the interim, the Alacran title will remain in good standing. As of March 24, 2020, the Company has not restarted exploration drilling at Alacran and there is a risk that security conditions in the area will continue to be unsafe at Alacran, which may have an adverse effect on the Company.

Moreover, there is a risk that the ANM will not further extend the suspension of obligations beyond May 23, 2020 should security conditions not improve. If the Company becomes obligated to conduct work at Alacran under such circumstances, there is a risk that it may not be able to meet obligations with respect to the Alacran title, which may have a material adverse effect on the Company.

Illegal Miners/Mineral Extraction by Third Parties without Title

Artisanal and illegal miners are present at San Matias. As the Company further explores and advances mining projects towards production, the Company must enter into discussions with illegal miners operating at San Matias. There is a risk that such illegal miners may oppose the Company's operations and this may result in a disruption to the planned development and/or to mining and processing operations; all of which may have an adverse effect on the Company. Illegal miners have extracted precious metals from San Matias. The areas that have been mined by illegal miners are near surface and have not materially affected the Company's Mineral Resources. Illegal miners that operate at San Matias likely do not meet proper health and safety standards. Accidents may occur and may range from minor to serious, including death. While the Company takes all formal steps to notify the authorities when illegal miners operate in an unsafe manner and in close proximity to the Company's current operations in Colombia, illegal miners may advance within close proximity to the Company's contemplated mine site.

Regulatory Risks

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

Insured and Uninsured Risks

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

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

Environmental and Social Risks

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

Community Relations and Construction Activities

Maintaining a positive relationship with the communities in which the Company operates is critical to continuing exploration and ultimate development of the Company's assets. Community support for operations is a key component of a successful operating, exploration or development project. Local stakeholders and other groups may oppose the Company's current and future exploration, development and operational activities through protests, roadblocks or other forms of public expression against the Company's activities. Opposition by such groups may have a negative impact on the Company's reputation and its ability to receive necessary mining rights or permits. Opposition may also require the Company to modify its exploration, development or operational plans or enter into agreements with local stakeholders or governments with respect to its projects, in some cases causing considerable project delays. Any of these outcomes may have an adverse effect on the Company.

Competition

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

Joint Venture Risks

The Company is a party to the Joint Venture Agreement with Bell Copper Corporation. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of the Company's interests held through the Joint Venture Agreement, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition:

- Disagreements with partners on how to develop and operate mines efficiently.
- Inability to exert influence over certain strategic decisions made in respect of properties.
- Inability of partners to meet their obligations to the joint venture, joint operation or third parties.
- Litigation between partners regarding joint venture or joint operation matters.

Climatic conditions or changes in climate over time can affect exploration, development and future mining activities.

The potential physical impacts of climate change on the Company's exploration projects is highly uncertain and are particular to the geographic circumstances. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. Exploration programs in Colombia and the United States require water and a lack of necessary water could disrupt exploration programs and adversely impact future development and mining activities. Climate change is an international concern and as a result poses the risk of changes in government policy including introducing climate change legislation and treaties at all levels of government that could result in increased costs. The trend towards more stringent regulations and carbon-pricing mechanisms aimed at reducing the effects of climate change could impact the Company's decision to pursue future opportunities, or maintain our existing exploration programs, which could have an adverse effect on our business.

Litigation

From time to time, the Company may be involved in various claims, legal proceedings and complaints, including the criminal law suit filed by Cordoba 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. As a result of the development of the business and our structure, we may also face historical claims. We cannot reasonably predict the likelihood or outcome of any such actions. If we are unable to resolve such disputes favourably, they may have a material adverse impact on our financial performance, cash flow and results of operations.

Limited Operating History

The Company has no history of generating profits. The Company expects to continue to incur losses unless and until such time as it develops its properties and commences operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any further joint venture agreements with strategic parties, if any. There can be no assurance that the Company will generate operating revenues or profits in the future.

Conflicts of Interest

Certain directors and officers of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of natural resource exploration, development and production. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required under the *Business Corporations Act* (British Columbia) to disclose their interest.

Impact of Epidemics

All of Cordoba's operations are subject to the risk of emerging infectious diseases or the threat of viruses or other contagions or epidemic diseases, including COVID-19. Any outbreak or threat of an outbreak of a virus or other contagions or epidemic disease could have a material adverse effect on the Company's business, results of operations and financial condition.