



December 08, 2022

Cordoba Minerals and JCHX Sign Milestone Agreements to Jointly-Develop the Alacran Project in Colombia



JCHX to Acquire 50% of Cordoba's Alacran Project Stake for a Total Cash Consideration of US\$100 Million

VANCOUVER, CANADA – Sarah Armstrong-Montoya, President and Chief Executive Officer of Cordoba Minerals Corp. (TSXV:CDB; OTCQB:CDBMF) (“Cordoba” or the “Company”), announced today that Cordoba and JCHX Mining Management Co., Ltd. (“JCHX”) have agreed to a strategic arrangement for the joint-development of the company’s flagship Alacran Project in Colombia.

Key terms of the milestone agreements signed on December 7, 2022:

- **JCHX – through a wholly owned subsidiary, will purchase a 50% ownership interest in CMH Colombia S.A.S. (“CMH”), a company existing under the laws of Colombia for an aggregate consideration of US\$100 million (approximately C\$136 million).**
- **CMH will own 100% of the Alacran Project and henceforth, be the joint venture vehicle for Cordoba and JCHX in this strategic project level partnership.**

JCHX will satisfy the purchase price of US\$100 million as follows:

- **At closing of the transaction, US\$40 million will be payable in cash and is expected to occur before the end of Q1 2023.**
- **A second installment of US\$40 million is payable in cash upon completion of a Cordoba board approved Feasibility Study of the Alacran Project, and the submission of the Environmental Impact Assessment (“EIA”) to the relevant Colombian Government authority.**

- **A third and final installment of US\$20 million is payable in cash once the approval of the EIA is obtained, which must be within two years of the transaction’s closing date. Should the EIA not be approved by the second anniversary of the closing date, JCHX will have the option to elect not to complete this third and final installment, which will result in JCHX being diluted to 40% and Cordoba increasing to a majority 60% shareholding in CMH.**
- **JCHX will advance a bridge loan of US\$10 million in cash to Cordoba, which is expected to be funded prior to the end of December 2022, following the signing of the milestone agreements and conditional upon JCHX shareholder approval. Upon closing of the transaction, the entire balance owing under the bridge loan and accrued interest will be applied towards the first installment payment as a payment in kind.**
- **Closing of this transaction is subject to (among other customary conditions):**
 - **FOR CORDOBA: Approval from the TSXV and approval of shareholders (excluding JCHX and Ivanhoe Electric Inc.).**
 - **FOR JCHX: Approval from the Board of Directors, shareholders, China’s State Administration of Foreign Exchange, and Beijing Municipal Bureau of Commerce.**
- **The bridge loan comes into effect immediately upon execution of the Bridge Loan Agreement, with the advance occurring immediately after approval from the JCHX board and shareholders, and is expected to be by the end of December 2022. The remainder of the transaction agreements do not become effective until JCHX obtains shareholder approval, which is expected to be completed in mid-January 2023.**

Relationship with JCHX

Cordoba first publicized an initial strategic relationship with JCHX on November 18, 2019, announcing a C\$11 million investment by JCHX in Cordoba for a 19.9% stake. This notable transaction successfully closed on January 17, 2020, which marked the commencement of JCHX’s partnership with Cordoba. Immediately following this investment, the Company welcomed Dr. Peng Huaisheng, President of JCHX Group Co., Ltd. (“JCHX Group”) to the Cordoba board.

“With JCHX’s continual unwavering confidence in Cordoba, it comes with no surprise when the time came for the Alacran Project to find a partner, we conclusively arrived at JCHX.” commented Ms. Sarah Armstrong-Montoya, President and CEO of Cordoba.



Signing of the Investor Rights Agreement in Beijing on January 16, 2020.

JCHX Group’s Chairman, Wang Xiancheng, maintains his confidence in Cordoba and the Alacran Project by remarking: “JCHX very much appreciates partnering with a company dedicated to excellence and innovation – especially alongside a formidable female CEO, which speaks volumes about the pioneering culture of Cordoba. At JCHX, we always aspire to pave the way for distinction through determination and hard-work, and we certainly support the efforts of our partner in vigilantly establishing best ESG practices.”

Key decisions to be governed by a Joint Venture Shareholders’ Agreement

A Joint Venture Shareholders’ Agreement (“JV SHA”) will govern the strategic relationship between Cordoba and JCHX, and will set forth the general responsibility and authority of the CMH board of directors (“CMH board”), in addition to the entitlements of each shareholder. The JV SHA, which will be entered at closing, provides for among other things:

- The CMH board will comprise of four individuals, of which two directors will be nominated by Cordoba and the other two directors will be nominated by JCHX; and for so long as the shareholdings in CMH remain 50%-50%, a Cordoba representative will serve as the Chairperson of the Board of Directors, and will possess a casting vote on all matters subject to a list of reserved matters.
- Cordoba will be appointed as the operator and manager of the Alacran Project pursuant to a Management Services Agreement and will be responsible for setting the annual programs and budgets for the CMH board’s approval.

- JCHX (or its affiliate) has right of first offer to bid on the Engineering, Procurement and Construction (EPC) and Detailed Design Agreement contracts, provided that Cordoba has the right to open the process out to competitive tender; with JCHX having the right to match any competitive bid.
- JCHX (or its affiliate) shall be entitled to up to 100% of the offtake from production under the current Feasibility Study of the Alacran Project, provided that they are paying fair market value and they are the most competitive offer (including a matching right for other third-party proposals).



During a site visit by JCHX to Colombia in April 2022, Dr. Huaisheng Peng, President of JCHX Group (left), and Ms. Sarah Armstrong-Montoya, President and CEO of Cordoba (center), met with Mr. Orlando Benítez Mora, the current Governor of the Córdoba region (right).

“As a fellow mining veteran, I must say it has not been easy for our industry to operate during a global pandemic. But what I have witnessed during this unprecedented time, is Cordoba’s commitment to its employees and stakeholders, and it was particularly noticeable on the visit to the Alacran Project earlier this year.” commented Dr. Huaisheng Peng, President of JCHX Group.

Ongoing drilling confirms the metrics of the 2022 Pre-Feasibility Study

Cordoba continues to steadily advance the Feasibility Study for the Alacran Project, and throughout the course of the 2022 in-fill drilling program, the company announced several compelling high-grade copper visual intercepts – which are typically associated with gold, that further confirm the various metrics presented in the Pre-

Feasibility Study (“PFS”) issued in January 2022 and entitled “NI 43-101 Technical Report and Prefeasibility Study, San Matias Copper-Gold-Silver Project, Colombia”, effective January 11, 2022 (available on SEDAR at www.sedar.com).

	After Tax	Pre Tax
Total Initial Capital Costs	US\$435 M	
Unlevered Free Cash Flow	US\$873 M	US\$1,388 M
NPV (8% discount)	US\$415 M	US\$735 M
IRR	25.4%	36.1%
Payback	2.9 Years	2.2 Years

Long-term consensus pricing for Cu is US\$3.60/lbs, Au is US\$1.650/oz, Ag is US\$21/oz

In the latest series of drilling announcements by the Company, assay results continue to demonstrate high-grade copper-gold mineralization within the Alacran Deposit and confirm the strong correlation with the PFS block model. An updated mineral resource estimate will be prepared after completion of the current 25,000-m in-fill drilling program to capture the shallow high-grade zones identified in the core of the resource area and also the multiple Carbonate Base Metal veins intersected in high-grade structures.



A drill rig currently at the Alacran Project completing the 25,000-m initial phase of the 40,000-m in-fill drilling program.

“It is a huge advantage to have a vastly experienced mining and construction expert join us at the project level to support the development of the Alacran Project, especially given that JCHX brings the added benefit of being very familiar with Cordoba,” commented Ms. Sarah Armstrong-Montoya, President and CEO of Cordoba. “Furthermore, during my tenure at this Company, I have witnessed JCHX’s willingness to step up as a partner and espouse the objectives and vision of the Company – which unequivocally includes expanding the array of opportunities for the Colombian people and help broaden the already synergistic Sino-Colombian relationship.”

The Alacran Project deemed of national significance to the Colombia Government

The Alacran Project is positioned to be the largest copper mine in Colombia in the near future. The Colombian Government along with industry specialists have unanimously deemed the copper metal fundamentally imperative for the new electrification and transitional energy era.

In 2018, the Alacran Project was declared a “*Project of National Interest*” by the Colombian Government, which denotes a significantly high priority for the country. As such, Cordoba continues to be met with exceptional enthusiasm by the Alacran Project host nation.

Situated in the south of the Córdoba region within the municipality of Puerto Libertador, the Alacran Project is determined to make significant environmental and social contributions to the host communities. Examples of current programs include:

- **Environmental Conservation Initiative:** A program enabling the Company to work alongside the local communities in inducing environmental conservation;
- **Community Outreach Programs:** The outreach programs are designed to cover all demographics of our local communities, including supporting women in pursuing a path of entrepreneurship;
- **Sustainable Future Mission:** A mission focused on facilitating the economic empowerment of the surrounding communities by equipping future generations with the necessary proficiencies and resources to develop long-lasting and self-sustaining businesses.



Community Outreach Program



Environmental Conservation Initiative

Global investor call with Cordoba's senior management on Monday, December 12, 2022

Cordoba's senior management team will host a global investor call on Monday, December 12, 2022, at 11:00 AM PST to discuss the details of this strategic partnership with JCHX and also provide a general corporate update. Details of the call will be sent via email to registered parties of Cordoba's e-mailing list and also posted on the Cordoba website, please visit, www.cordobaminerals.com.

Related Party Transaction

The transactions with JCHX constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") because JCHX and its affiliates are significant (holding, in aggregate, greater than 10%) shareholders of Cordoba. In addition, another significant shareholder of Cordoba, Ivanhoe Electric Inc. ("Ivanhoe"), stands to benefit from the transaction as part of the proceeds will be used to repay certain debt owed to Ivanhoe by Cordoba. Consequently, the transaction is subject to minority shareholder approval requirements set forth in MI 61-101.

The transactions will require the approval of a simple majority of the votes cast at a special meeting of Cordoba shareholders ("**Cordoba Meeting**"), that will exclude JCHX and Ivanhoe and their respective affiliates, and any other persons required to be excluded in accordance with MI 61-101 of the Canadian securities regulatory authorities. As a related party transaction, the board of directors of Cordoba (the "**Board**") constituted a special committee of independent directors (the "**Special Committee**") for the purposes of, among other things, considering the transactions, reviewing, directing and supervising the process to be carried out by the Company and its professional advisors in assessing and negotiating the transaction, and considering and making recommendations to the Board with respect to the transaction. The Special Committee is composed of Mr. William Orchow as chair, and Dr. Diane Nicolson. In considering the transaction the Special Committee retained Osler, Hoskin & Harcourt LLP as its independent legal counsel and Haywood Securities Inc. ("Haywood") as its independent financial advisor.

Haywood has provided a fairness opinion in respect of the transactions. The Company is exempt from the requirement to obtain a formal valuation in accordance with MI 61-101. A

copy of the fairness opinion will be included in the management information circular to be sent to Cordoba shareholders. In addition, Haywood has provided an opinion to the Special Committee, stating that, in their opinion and subject to the assumptions, limitations and qualifications contained in the fairness opinion, as of the date of the fairness opinion, the consideration to be paid pursuant to the transactions is fair, from a financial point of view, to the shareholders of the Company (other than JCHX and its affiliates). After careful consideration and deliberation, the Special Committee determined that the transactions are in the best interests of Cordoba and are fair to shareholders of the Company (other than JCHX, and its affiliates) and unanimously recommended to the Board that the Board approve the transactions. Following receipt of the unanimous recommendation by the Special Committee, the Board determined that the transactions are in the best interests of Cordoba and are fair to shareholders of the Company (other than JCHX and its affiliates) and unanimously approved the transactions.

Further information regarding the transactions will be contained in a management information circular that Cordoba will prepare, file and mail to its shareholders in advance of the Cordoba Meeting. Copies of the main transaction documents and management information circular will be available in due course on SEDAR at www.sedar.com.

Technical Information & Qualified Person

The technical information in this release has been reviewed, verified and approved by Mark Gibson, P.Geo., a Qualified Person for the purpose of National Instrument 43-101 – *Standards of Disclosure for Mineral Project* (“NI 43-101”). Mr. Gibson is the Chief Operating Officer of Cordoba and of Ivanhoe Electric Inc., Cordoba’s majority shareholder, and is not considered independent under NI 43-101. Further information about the Pre-Feasibility Study and accompanying reserve estimate, including a discussion about assumptions, parameters, methods and risks, can be found in the PFS Technical Report.

About JCHX

Established in 1997, through its continuous and rapid development, JCHX Mining Management Co., Ltd has become one of the top mining construction companies in China. The Company is mainly engaged in mine development and construction, contract mining and research & development of mining technologies.

JCHX is capable of providing comprehensive and professional services to the industry, as it has built a reputation for its integrity and credibility. The Company specializes in underground mine development and construction, and production mining, especially in large-section declines and tunnels development. With an extensive fleet of mining equipment supported by highly trained employees, the Company can provide solutions for a variety of projects, even those with the most complex geological conditions.

JCHX strives to build safe and eco-friendly projects with the spirit of high quality and efficiency through cost-effective approaches.

JCHX is completing the underground development at the Kamoa-Kakula Copper Project, after recently completing construction of the twin production declines. The Kamoa-Kakula Copper Project is located in the Democratic Republic of Congo and is jointly operated by Ivanhoe

Mines and Zijin Mining Group. More information on JCHX and their current projects is available on their website: www.jchxmc.com.

About Cordoba

Cordoba Minerals Corp. is a mineral exploration company focused on the exploration, development and acquisition of copper and gold projects. Cordoba is developing its 100%-owned San Matias Copper-Gold-Silver Project, which includes the Alacran deposit and satellite deposits at Montiel East, Montiel West and Costa Azul, located in the Department of Cordoba, Colombia. Cordoba also holds a 51% interest in the Perseverance Copper Project in Arizona, USA, which it is exploring through a Joint Venture and Earn-In Agreement. For further information, please visit www.cordobaminerals.com.

ON BEHALF OF THE COMPANY

Sarah Armstrong-Montoya, President and Chief Executive Officer

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Forward-Looking Statements

This news release includes “forward-looking statements” and “forward-looking information” within the meaning of Canadian securities legislation. All statements included in this news release, other than statements of historical fact, are forward-looking statements including, without limitation, but not limited to, statements with respect to the transactions with JCHX, the expected approvals and closing of the transactions, the funding of the bridge loan, the use of proceeds from the transactions, the benefits of the transactions, the JV SHA, the preparation of an updated mineral resource statement; geological interpretations; Feasibility Study; Environmental Impact Assessment permitting; community engagement activities; results of the current exploration and interpretations thereof; mineralization potential; and contemplated drilling and development programs. Forward looking-statements include predictions, projections and forecasts and are often, but not always, identified by the use of words such as “anticipate”, “believe”, “plan”, “estimate”, “expect”, “potential”, “target”, “budget” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions and includes the negatives thereof.

Forward-looking statements are based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets in which Cordoba operates, are inherently subject to significant operational, economic, and competitive uncertainties, risks and contingencies. Such assumptions and estimates include, but are not limited to, obtaining the necessary approvals and consents to complete the transactions with JCHX, assumptions with respect to the status of community relations and the security situation on site and in Colombia; general business and economic conditions; continuity of drilling programs; the availability of additional exploration and mineral project; the supply and demand for, inventories of, and the level and volatility of the prices of metals; relationships with strategic partners and significant shareholders; 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; currency fluctuations; and impact of the COVID-19 pandemic.

There can be no assurance that forward-looking statements will prove to be accurate and actual results, and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include failure to obtain necessary consents and approvals, conditions to the completion of the transactions not being satisfied, actual exploration results, continuity of drilling programs, interpretation of metallurgical characteristics of the mineralization, changes in project parameters as plans continue to be refined, future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, uninsured risks, regulatory changes, delays or inability to receive required approvals, uncertainties relating to epidemics, pandemics and other public health crises, including COVID-19 or similar such viruses, and other exploration or other risks detailed herein and from time to time in the filings made by the Company with securities regulators, including those described under the heading "Risks and Uncertainties" in the Company's most recently filed MD&A. The Company does not undertake to update or revise any forward-looking statements, except in accordance with applicable law. Readers are cautioned not to put undue reliance on these forward-looking statements.