CORDOBA MINERALS CORP.

Condensed Interim Consolidated Financial Statements
For the three months ended

March 31, 2018

TSX-V: CDB

CORDOBA MINERALS CORP.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2018 and December 31, 2017
(Unaudited and expressed in Canadian Dollars)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	**$ 1,409,778**	$ 2,414,435
Other receivables	**42,828**	66,855
Due from related parties (Note 12)	**-**	61,777
Prepaid expenses and deposits	**452,786**	824,219
	1,905,392	3,367,286
Non-current assets		
Colombian value added tax receivable (Note 6)	**1,324,186**	1,171,287
Property, plant and equipment (Note 7)	**954,294**	937,884
	2,278,480	2,109,171
TOTAL ASSETS	**$ 4,183,872**	$ 5,476,457
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 506,018**	$ 466,005
Due to related parties (Note 12)	**1,384,380**	45,921
	1,890,398	511,926
Shareholders' equity		
Share capital (Note 9)	**139,737,498**	139,615,465
Equity reserves (Note 9 and 10)	**15,118,447**	15,191,447
Accumulated other comprehensive loss	**(17,865)**	(259,886)
Deficit	**(152,544,606)**	(149,582,495)
	2,293,474	4,964,531
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 4,183,872**	$ 5,476,457

Nature of operations and going concern (Note 1)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

(signed) "Peter Meredith", Director
Peter Meredith

(signed) "Ignacio Rosado", Director
Ignacio Rosado

See accompanying notes to the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three month periods ended March 31, 2018 and 2017
(Unaudited and expressed in Canadian Dollars)

	March 31, 2018	March 31, 2017
Operating expenses		
Exploration and evaluation expenditures (Note 11)	**$ 2,499,302**	$ -
Corporate administration	**428,539**	549,366
Amortization	**15,306**	14,683
	2,943,147	564,049
Other income (expense)		
Interest and other expense	**(4,362)**	(5,304)
Foreign exchange loss	**(14,602)**	(4,712)
	(18,964)	(10,016)
Net loss for the period	**$ (2,962,111)**	$ (574,065)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Unrealized gain on foreign exchange translation	**242,021**	89,296
Comprehensive loss for the period	**$ (2,720,090)**	$ (484,769)
Loss per share, basic and diluted	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding	**206,681,976**	88,120,120

See accompanying notes to the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three month periods ended March 31, 2018 and 2017
(Unaudited and expressed in Canadian Dollars)

	March 31, 2018	March 31, 2017
Operating activities		
Loss for the period	**$ (2,962,111)**	$ (574,065)
Items not affecting cash:		
Amortization	**15,306**	14,683
Unrealized foreign exchange loss	**354,199**	81,870
Changes in non-cash working capital balances:		
Other receivables	**(245,620)**	(185,887)
Prepaid expenses and deposits	**371,433**	(722,402)
Accounts payable and accrued liabilities	**40,013**	(199,378)
Due to and from related party	**111,646**	737,383
	(2,315,134)	(847,796)
Financing activities		
Exercise of warrants	**-**	2,455,382
Exercise of stock options	**39,000**	166,500
Recovery of share issuance cost	**10,033**	-
Short-term loan from related party	**1,288,590**	-
	1,337,623	2,621,882
Investing activities		
Acquisition of property, plant and equipment	**(8,270)**	-
	(8,270)	-
Increase (decrease) in cash and cash equivalents	**(985,781)**	1,774,086
Effect of changes in exchange rates on cash	**(18,876)**	34,962
Cash and cash equivalents, beginning of period	**2,414,435**	1,027,240
Cash and cash equivalents, end of period	**$ 1,409,778**	$ 2,836,288

See accompanying notes to the condensed interim consolidated financial statement

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the three month periods ended March 31, 2018 and 2017
(Unaudited and expressed in Canadian Dollars)

	Number of common shares	Share capital	Equity reserves: Warrants reserve	Equity reserves: Broker warrants reserve	Equity reserves: Share-based payments reserve	Accumulated other comprehensive gain (loss)	Deficit	Total
Balance, December 31, 2017	**206,438,643**	**$139,615,465**	**$10,683,695**	**$ 48,149**	**$ 4,459,603**	**$ (259,886)**	**$ (149,582,495)**	**$ 4,964,531**
Net loss for the period	-	-	-	-	-	-	**(2,962,111)**	**(2,962,111)**
Settlement of DSU	**50,000**	**33,500**	-	-	**(33,500)**	-	-	-
Exercise of stock options - cash proceeds	**250,000**	**39,000**	-	-	-	-	-	**39,000**
Fair value of stock options exercised	-	**39,500**	-	-	**(39,500)**	-	-	-
Share issuance cost - refund	-	**10,033**	-	-	-	-	-	**10,033**
Unrealized foreign exchange gain	-	-	-	-	-	**242,021**	-	**242,021**
Balance, March 31, 2018	**206,738,643**	**$139,737,498**	**$10,683,695**	**$ 48,149**	**$ 4,386,603**	**$ (17,865)**	**$ (152,544,606)**	**$ 2,293,474**
Balance, December 31, 2016 (Revised - Note 3)	86,895,436	$ 58,574,252	$ 8,306,090	$ -	$ 3,820,695	$ (164,125)	$ (70,241,261)	$ 295,651
Net loss for the period	-	-	-	-	-	-	(574,065)	(574,065)
Exercise of warrants - cash proceeds	1,701,294	2,455,382	-	-	-	-	-	2,455,382
Fair value of warrants exercised	-	599,328	(599,328)	-	-	-	-	-
Exercise of stock options - cash proceeds	450,000	166,500	-	-	-	-	-	166,500
Fair value of stock options exercised	-	151,890	-	-	(151,890)	-	-	-
Unrealized foreign exchange gain	-	-	-	-	-	89,296	-	89,296
Balance, March 31, 2017	89,046,730	$ 61,947,352	$ 7,706,762	$ -	$ 3,668,805	$ (74,829)	$ (70,815,326)	$ 2,432,764

See accompanying notes to the condensed interim consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Cordoba Minerals Corp. (the "Company" or "Cordoba") is a Canadian based exploration and development company with exploration projects in Colombia. The principal business of the Company is the acquisition, exploration and development of precious and base metal properties. The Company was incorporated under the *Business Corporations Act* of British Columbia on October 20, 2009. The address of the Company's corporate office and principal place of business is 181 University Avenue, Suite 1413, Toronto, ON, M5H 3M7. The Company's registered address is 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8. As at March 31, 2018, High Power Exploration Inc. ("HPX"), the Company's privately owned parent, held 66.6% of the Company's issued and outstanding common shares. The ultimate controlling entity is Ivanhoe Industries LLC, a privately owned company.

The Company has interests in resource properties which it is in the process of exploring and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of resource properties is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of the resource properties, and upon future profitable production or proceeds from the disposition thereof.

The Company's condensed interim consolidated financial statements are prepared using International Accounting Standard 34 ("IAS 34") applicable to a going concern, which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the three month period ended March 31, 2018, the Company incurred a net loss of $2,781,584 (March 31, 2017 - $574,065), an operating cash outflow of $1,026,544 (March 31, 2017 - $847,796), and an accumulated deficit of $152,364,079 as at March 31, 2018 (December 31, 2017 - $149,582,495). These circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company will continue to pursue opportunities to raise additional capital through equity markets to fund its future exploration and operating activities; however, there can be no assurance that such financing will be available on a timely basis and under terms which are acceptable to the Company. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustment could be material.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements of the Company as at and for the three month period ended March 31, 2018, with comparative information as at December 31, 2017 and for the three month period ended March 31, 2017, have been prepared in accordance with IAS 34. These condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and hence should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2017. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies as those included in the Company's most recent annual consolidated financial statements.

These condensed interim consolidated financial statements were approved by the Board of Directors on May 11, 2018.

3. CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

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, 2017 to all the periods presented in these unaudited condensed interim consolidated financial statements.

During 2017, the Company has changed its accounting policy from capitalizing exploration and evaluation asset acquisition costs to expensing such costs in the period the costs are incurred. The Company believes that expensing exploration and evaluation acquisition costs as incurred provides more reliable and relevant financial information to the users of its financial statements. While IFRS 6, *Exploration for and Evaluation of Mineral Resources* allows either treatment, given the challenges in valuing early stage E&E assets, management believes capitalizing these costs do not provide the investors relevant information that would assist them in making a determination of the valuation of the underlying property.

Under the new policy, the cost of acquiring prospective properties and exploration rights are expensed until it has been established that a mineral property is technically feasible and commercially viable as supported by a NI43-101 feasibility study and a mine development decision has been made by the Company. Thereafter, the Company will capitalize expenditures subsequently incurred to develop the mine, prior to the start of mining operations in accordance with IAS 16.

(Expressed in Canadian Dollars)

The Company has applied the change in accounting policy on a retrospective basis and has therefore adjusted its 2016 comparatives as follows:

As at December 31, 2016	**As previously reported**	**Adjustment**	**Revised Balance**
Non-current Assets			
Exploration and evaluation assets	$ 45,557,647	$ (45,557,647)	$ -
Total Non-current assets	46,524,485	(45,557,647)	966,838
Equity			
Deficit	$ 24,683,614	$ 45,557,647	$ 70,241,261
Total Equity	45,853,298	(45,557,647)	295,651

There is no impact on the Company’s comparative statement of loss and comprehensive loss, statement of cash flows and statement of changes in shareholders’ equity.

On January, 1 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The standard also had no impact on the carrying amounts of our financial instruments at the transition date.

Standards, amendments and interpretations issued but not yet applied

The following standard is effective on or after January 1, 2019, with early adoption permitted, and has not been applied in preparing these condensed interim consolidated financial statements. Management is considering the impact of this standard.

IFRS 16, Leases (‘IFRS 16”) replaces IAS 17, Leases (“IAS 17”). The new model requires the recognition of lease contracts on a lessee’s statement of financial position as a lease liability reflecting future lease payments and a ‘right-of-use asset’ with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

There are no other IFRS that are not yet effective that would be expected to have a material impact on the Company.

4. SIGNIFICANT ACCOUNTING JUDGMENTS

The Company has consistently applied the significant accounting judgments, estimates and assumptions set out in Note 5 of the Company’s audited consolidated financial statements for the year ended December 31, 2017 to all the periods presented in these unaudited condensed interim consolidated financial statements.

(Expressed in Canadian Dollars)

5. CASH AND CASH EQUIVALENTS

	March 31, 2018	December 31, 2017
Cash held in bank accounts	**$ 645,464**	$ 1,298,477
Term deposits	**764,314**	1,115,958
	$ 1,409,778	$ 2,414,435

6. COLOMBIAN VALUE-ADDED-TAX ("VAT") RECEIVABLE

Non-current VAT receivable arises from the government of Colombia and is in respect of the Company's exploration and development activities. The actual timing of receipt is uncertain as VAT is typically refundable only upon commercial operations; therefore, VAT receivable has been classified as a non-current asset.

7. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Furniture and equipment	Vehicles	Land	Leasehold improvements	Total
Cost						
Balance - December 31, 2016	52,327	93,245	132,156	-	14,427	292,155
Additions	56,120	110,927	85,560	661,400	-	914,007
Write-offs and disposals	-	-	(150,477)	-	-	(150,477)
Foreign exchange	572	1,089	722	3,160	-	5,543
Balance - December 31, 2017	**109,019**	**205,261**	**67,961**	**664,560**	**14,427**	**1,061,228**
Additions	**2,300**	**5,970**	**-**	**-**	**-**	**8,270**
Write-offs and disposals	**(3,296)**	**(204)**	**-**	**-**	**-**	**(3,500)**
Foreign exchange	**3,190**	**5,468**	**3,275**	**17,995**	**-**	**29,928**
Balance - March 31, 2018	**$ 111,213**	**$ 216,495**	**$ 71,236**	**$ 682,555**	**$ 14,427**	**$ 1,095,926**
Accumulated amortization						
Balance - December 31, 2016	33,754	33,521	98,328	-	14,427	180,030
Charge for the period	19,607	25,689	29,846	-	-	75,142
Write-offs and disposals	-	-	(130,148)	-	-	(130,148)
Foreign exchange	(370)	(483)	(827)	-	-	(1,680)
Balance - December 31, 2017	**52,991**	**58,727**	**(2,801)**	**-**	**14,427**	**123,344**
Charge for the period	**4,153**	**6,063**	**5,090**	**-**	**-**	**15,306**
Write-offs and disposals	**(1,725)**	**(128)**	**-**	**-**	**-**	**(1,853)**
Foreign exchange	**1,755**	**1,620**	**1,460**	**-**	**-**	**4,835**
Balance - March 31, 2018	**$ 57,174**	**$ 66,282**	**$ 3,749**	**$ -**	**$ 14,427**	**$ 141,632**
Net book value						
As of December 31, 2017	$ 56,028	$ 146,534	$ 70,762	$ 664,560	$ -	$ 937,884
Balance - March 31, 2018	**$ 54,039**	**$ 150,213**	**$ 67,487**	**$ 682,555**	**$ -**	**$ 954,294**

8. EXPLORATION AND EVALUATION PROPERTIES

The Company has an option agreement (the "Option") with Sociedad Ordinaria de Minas Omni ("OMNI") to earn a 100% interest in the Alacran Copper-Gold Project ("Alacran" or the "Alacran Project"), which is located within Cordoba's San Matias Project, by completing the commitments summarized below. The Company can terminate the Option at anytime without penalty. The Alacran property falls within the San Matias area of interest and forms part of the San Matias Project.

a) A US$250,000 payment to OMNI on signing of the Binding Letter of Intent (LOI) dated October 20th, 2015 and additional US$250,000 payments on completion of the Definitive Agreement dated February 27th, 2016, and 24-month anniversary of signing the LOI. This commitment has been completed.

b) A 3,000-metre drill program to commence within 90 days and completion of a total of 8,000 metres within two years from signing of LOI. This commitment has been completed.

c) A US$1,000,000 payment to OMNI on the 24-month anniversary of completion of the Definitive Agreement. As of March 31, 2018, the Company has paid US$559,150 net of a US$15,000 discount to OMNI with the remaining balance of US$425,850 deferred until May 27, 2018.

d) Cordoba will file with the Colombian government for the relevant approvals to conduct activities of construction and commercial production at Alacran on or before June 30, 2020.

e) A US$14,000,000 payment to OMNI with an advance payment of $1.0 million on February 27, 2019 and the remaining $13.0 million payable on June 30, 2020.

f) OMNI will retain a 2% net smelter royalty with advance royalty payments of US$500,000 commencing three years after receipt of approvals to commence construction at Alacran or six years after filing for approval to commence construction at Alacran.

9. SHARE CAPITAL

(a) Common Shares

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

(b) Share Purchase Warrants

There has been no share purchase warrants activity for the three month period ended March 31, 2018.

(Expressed in Canadian Dollars)

Details of share purchase warrants outstanding as of March 31, 2018 and December 31, 2017 are:

Expiry date	Number of warrants	Weighted average exercise price
April 1, 2018	50,100	$0.21
July 11, 2019	12,355,311	$1.08
Balance - December 31, 2017 and March 31, 2018	**12,405,411**	1.08

(c) Compensation Options

As of March 31, 2018, the Company has 370,380 compensation options outstanding (December 31, 2017 – 370,380). The compensation options were granted to the syndicate of underwriters in connection with the July 2017 Offering. Each compensation option can be exercised into one Cordoba common share and one-half of one Cordoba common share purchase warrant at an exercise price of $0.81 until January 11, 2019. Each common share purchase warrant will be exercisable to acquire one common share of the Company at a price of $1.08 until July 11, 2019.

10. SHARE-BASED COMPENSATION

Share Purchase Options

The Company has in place a stock option plan (the "Plan"), which allows the Company to issue options to certain directors, officers, employees and consultants of the Company. The aggregate number of securities reserved for issuance will be not more than 10% of the number of common shares issued and outstanding from time to time. The Plan provides that the number of stock options held by any one individual may not exceed 5% of the number of issued and outstanding common shares. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the Company's shares on the day prior to the grant date. Stock options granted under the Plan may be subject to vesting terms if imposed by the Board of Directors or required by the TSX Venture Exchange.

(Expressed in Canadian Dollars)

The following is a summary of share purchase options activity for the period ended March 31, 2018:

Grant date	Expiry date	Exercise price	Opening balance	During the period: Granted	During the period: Exercised	During the period: Expired / Cancelled	Closing balance	Vested and exercisable	Unvested
8-1-12	7-31-22	$1.00	37,500	-	-	-	37,500	37,500	-
3-28-14	10-9-17	$1.06	-	-	-	-	-	-	-
3-28-14	3-20-18	$1.42	73,601	-	-	(73,601)	-	-	-
3-28-14	7-30-18	$1.42	17,524	-	-	-	17,524	17,524	-
6-27-14	6-26-24	$0.80	1,430,000	-	-	-	1,430,000	1,430,000	-
5-26-15	5-26-25	$0.21	1,112,500	-	(100,000)	-	1,012,500	1,012,500	-
10-24-15	10-24-25	$0.13	300,000	-	-	-	300,000	300,000	-
11-24-15	11-24-25	$0.12	1,437,500	-	(150,000)	-	1,287,500	1,287,500	-
4-19-16	4-19-26	$0.85	1,925,000	-	-	-	1,925,000	1,925,000	-
11-9-16	11-9-26	$0.74	100,000	-	-	-	100,000	75,000	25,000
7-31-17	7-31-22	$0.81	150,000	-	-	-	150,000	37,500	112,500
11-20-17	11-20-22	$0.58	75,000	-	-	-	75,000	18,750	56,250
3-13-18	3-13-23	$0.20	-	4,350,000	-	-	4,350,000	-	4,350,000
			6,658,625	**4,350,000**	**(250,000)**	**(73,601)**	**10,685,024**	**6,141,274**	**4,543,750**
Weighted ave. exercise price			**$ 0.55**	**$ 0.20**	**$ 0.16**	**$ -**	**$ 0.41**	**$ 0.54**	**$ 0.22**

As at March 31, 2018, the unrecognized stock option value was $668,844 (December 31, 2017 - $59,844).

The weighted average remaining contractual life of the options outstanding at March 31, 2018 is 6.31 years (December 31, 2017 – 7.41 years).

For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions and a forfeiture rate of 0%:

			Black-Scholes Option Pricing Parameters			
Current year grant	**Number of options**	**Exercise price**	**Dividend yield**	**Risk-free interest rate**	**Expected life (years)**	**Volatility factor**
13-Mar-18	4,350,000	$ 0.20	0%	2.03%	5	90.97%

Deferred Share Unit

Pursuant to the terms of the Company's Deferred Share Unit Plan, the Company may grant deferred share units ("DSUs") to the Company's directors. Upon participant's retirement, the Company may elect to settle the DSUs with cash or shares of the Company at the discretion of the Board. The fair value of a DSU is determined as the fair market value of a common share of the Company on grant date.

(Expressed in Canadian Dollars)

A summary of DSU activity for the period ended March 31, 2018 and the year ended December 31, 2017 is as follows:

	Number of DSUs
Balance - December 31, 2016	-
Granted	350,000
Cancelled	-
Redeemed	-
Balance - December 31, 2017	**350,000**
Granted	**-**
Cancelled	**-**
Redeemed	**(50,000)**
Balance - March 31, 2018	**300,000**

Other Equity-based Instruments

Pursuant to the terms of the Company's Long Term Incentive Plan, the Company may grant restricted share units ("RSUs") as well as performance share units ("PSUs") to eligible participants. On entitlement date, the Company may elect to settle the RSUs with cash or shares of the Company at the discretion of the Board. The fair value of an RSU and PSU is determined as the fair market value of a common share of the Company on grant date.

A summary of other equity-based instruments activity for the period ended March 31, 2018 and the year ended December 31, 2017 is as follows:

	Number of RSUs
Balance - December 31, 2016	-
Granted	1,035,000
Cancelled	-
Redeemed	-
Balance - December 31, 2017 and March 31, 2018	**1,035,000**

(Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION EXPENDITURES

For the three month periods ended March 31, 2018 and 2017, exploration and evaluation expenditure comprises:

	March 31, 2018	March 31, 2017
Direct exploration costs	**$ 434,504**	$ 1,871,473
Indirect exploration costs	**945,241**	698,764
Site general and administration costs	**402,209**	512,538
E&E acquisition costs	**717,348**	-
Recovery from HPX	**-**	(3,082,775)
Exploration and evaluation expenditures	**$ 2,499,302**	$ -

During 2016 and the first half of 2017, San Matias was operating under the Joint Venture Agreement between HPX and Cordoba where HPX earned a 51% interest in San Matias. Under the JV structure, HPX funded San Matias directly, therefore, the Company did not incur any exploration and evaluation expenditure during that period. The funding received from HPX was recorded as a recovery, which offsets the exploration and evaluation expenditures on the Company's consolidated financial statements.

In July 2017, the Company consolidated San Matias after acquiring HPX's 51% interest in the project through the acquisition of Ventures. Since the acquisition, the Company began recognizing evaluation and evaluation expenditures in its consolidated financial statements.

12. RELATED PARTY TRANSACTIONS

The Company had transactions during the three month periods ended March 31, 2018 and 2017 with related parties consisted of directors, officers, company that is the controlling shareholder of Cordoba and company that is owned partially by Cordoba:

During the three month period ended March 31, 2018, the Company incurred $31,517 (March 31, 2017 - $262,735) in exploration and evaluation expenditures to HPX, a company that is the controlling shareholder of Cordoba. The costs incurred consist of technical and managerial services provided for the Company's exploration projects in Colombia.

During the three month period ended March 31, 2018, the Company incurred $126,245 (March 31, 2017 - $17,083) in exploration and evaluation and corporate administration expenditures to Global Mining Management Corporation ("GMM"), a company that is owned equally by eight companies, one of which is Cordoba. The costs incurred consist of technical and managerial services provided to the Company. The investment in GMM is held at $Nil on the consolidated statements of financial position.

Amount due to related parties as of March 31, 2018 includes $124,585 (December 31, 2017 - $43,626) net payable to GMM. The amount owing is unsecured, non-interest-bearing and payable on demand.

Amount due to related parties as of March 31, 2018 also includes $1,259,795 (December 31, 2017 - $Nil) net payable to HPX. The amount includes 71,051 receivable from HPX (December 31, 2017

(Expressed in Canadian Dollars)

- $59,482) representing the recoverable portion of shared personnel costs the Company incurred on behalf of HPX. The amount is unsecured, non-interest-bearing and payable on demand. The amount due to HPX also includes a short-term loan of US$1,000,000 to fund the Company's corporate administration and exploration costs. The loan is due on demand or, if earlier, May 31, 2018 or the date that the Company completes any private placement or prospectus offering of common shares, or at the Lender's option, such date after May 31, 2018 as provided by the Lender. The loan bears an interest of 10% per annum.

These transactions are in the normal course of operations and are measured at the exchange amount of the services rendered.

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 periods ended March 31, 2018 and 2017, key management compensation comprises:

		March 31, 2018		**March 31, 2017**
Salaries and benefits	**$**	**185,219**	$	260,625
Share-based payments*		**469,000**		-
	$	**654,219**	$	260,625

**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.*

13. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. The mineral property interests as of March 31, 2018 and December 31, 2017 are located in Colombia and all of the exploration expenditures for the periods ended March 31, 2018 and 2017 respectively were incurred in Colombia. Substantially all of the Company's other assets are located, and expenditures were incurred, in Canada.

14. FINANCIAL INSTRUMENTS

In common with all other businesses, 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 these consolidated financial statements.

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

(Expressed in Canadian Dollars)

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 an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and Colombian value added tax receivable. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions.

As at		March 31, 2018		December 31, 2017
Cash held in bank accounts	**$**	**645,464**	$	1,298,477
Term deposits		**764,314**		1,115,958
Colombian value added tax receivable		**1,324,186**		1,171,287
	$	**2,733,964**	$	3,585,722

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. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At March 31, 2018, the Company had cash and cash equivalents of $1.4 million (December 31, 2017 - $2.4 million) to apply against third-party short-term business requirements and current liabilities of $0.5 million (December 31, 2017 - $0.5 million). All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates and other market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Currency Risk

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. The Company monitors this exposure, but has no hedge positions.

(Expressed in Canadian Dollars)

As at March 31, 2018, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	March 31, 2018		**December 31, 2017**	
	US Dollars (CDN equivalent)	**Colombian Pesos** (CDN equivalent)	**US Dollars** (CDN equivalent)	**Colombian Pesos** (CDN equivalent)
Cash	**$ 152,424**	**$ 453,014**	$ 6,945	$ 131,751
Other receivables	**-**	**7,866**	-	51,475
Value added tax receivable	**-**	**1,324,186**	-	1,171,287
Accounts payable and accrued liabilities	**-**	**(286,093)**	-	(349,114)
Due to related parties	**(1,330,846)**	**-**	-	-
	$ (1,178,422)	**$ 1,498,973**	$ 6,945	$ 1,005,399

Based on the above net exposures at March 31, 2018, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an increase or decrease of approximately $32,100 (December 31, 2017 - $101,200) in the Company's net loss and comprehensive loss for the year.

Interest Rate Risk

Interest rate risk consists of two components:

- To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company considers interest rate risk to not be significant.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to any other price risk.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash and cash equivalents, other receivables, due from related parties, accounts payable and accrued liabilities and due to related parties approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

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).

15. COMMITMENTS

The Company has commitments relating to an office lease ending February 2020. The minimum annual payments for the next 3 years are as follows:

		Amount
2018		39,711
2019		52,948
2020		4,412
Total	**$**	**97,071**