CORDOBA MINERALS CORP.

Condensed Interim Consolidated Financial Statements
For the three and nine months ended

September 30, 2017

TSX-V: CDB

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at September 30, 2017 and December 31, 2016
(Unaudited and expressed in Canadian Dollars)

As at		September 30, 2017		December 31, 2016 (Restated) (Note 3)
ASSETS				
Current assets				
Cash and cash equivalents (Note 5)	$	**5,852,491**	$	1,027,240
Other receivables		**63,028**		27,742
Due from related parties (Note 11)		**85,454**		-
Prepaid expenses and deposits		**1,029,762**		447,954
		7,030,735		1,502,936
Non-current assets				
Colombian value added tax receivable		**1,100,970**		854,713
Property, plant and equipment (Note 6)		**803,395**		112,125
		1,904,365		966,838
TOTAL ASSETS	$	**8,935,100**	$	2,469,774
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	**493,988**	$	574,565
Due to related parties (Note 11)		**74,461**		1,599,558
		568,449		2,174,123
Shareholders' equity				
Share capital (Note 8)		**139,615,465**		58,574,252
Equity reserves (Note 8 and 9)		**15,466,001**		12,126,785
Accumulated other comprehensive loss		**(225,152)**		(164,125)
Deficit (Note 3)		**(146,489,663)**		(70,241,261)
		8,366,651		295,651
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	**8,935,100**	$	2,469,774

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 and nine month periods ended September 30, 2017 and 2016
(Unaudited and expressed in Canadian Dollars)

For the period ended	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Operating expenses				
Exploration and evaluation expenditures (recovery) (Note 10)	**$ 73,615,070**	$ (14,163)	**$ 73,615,070**	$ 1,369,015
Corporate administration	**507,429**	466,615	**1,603,773**	1,125,131
Share-based compensation (Note 9)	**663,381**	-	**961,646**	976,474
Amortization	**34,465**	14,750	**60,559**	45,998
	74,820,345	467,202	**76,241,048**	3,516,618
Other income (expense)				
Interest and other income (expense)	**402**	6,017	**(3,498)**	27,802
Foreign exchange loss	**(4,423)**	(5,819)	**(12,446)**	(3,844)
Gain on disposition of property, plant and equipment	**-**	-	**8,590**	-
Write-off of property, plant and equipment	**-**	-	**-**	(1,995)
	(4,021)	198	**(7,354)**	21,963
Net loss for the period	**$ (74,824,366)**	$ (467,004)	**$ (76,248,402)**	$ (3,494,655)
Other comprehensive gain (loss)				
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on foreign exchange translation	**(39,275)**	124,691	**(61,027)**	102,124
Comprehensive loss for the period	**$ (74,863,641)**	$ (342,313)	**$ (76,309,429)**	$ (3,392,531)
Loss per share, basic and diluted	**$ (0.45)**	$ (0.01)	**$ (0.66)**	$ (0.04)
Weighted average number of common shares outstanding	**166,882,672**	86,820,436	**114,958,393**	85,147,817

See accompanying notes to the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three and nine month periods ended September 30, 2017 and 2016
(Unaudited and expressed in Canadian Dollars)

For the period ended	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Operating activities				
Loss for the period	**$ (74,824,366)**	$ (467,004)	**$ (76,248,402)**	$(3,494,655)
Items not affecting cash:				
Share-based payments	**663,381**	-	**961,646**	976,474
Amortization	**34,465**	14,750	**60,559**	45,998
Exploration expenditure paid with shares (Note 8)	**71,376,307**	-	**71,376,307**	-
Write-off of property, plant and equipment	**-**	-	**-**	1,995
Gain on disposition of property, plant and equipment	**-**	-	**(8,590)**	-
Unrealized foreign exchange gain (loss)	**(61,536)**	118,674	**(109,278)**	100,594
Changes in non-cash working capital balances:				
Other receivables	**(5,751)**	(172,293)	**(242,508)**	(375,587)
Prepaid expenses and deposits	**215,916**	(149,854)	**(581,808)**	(479,830)
Accounts payable and accrued liabilities	**(474,926)**	214,125	**(80,577)**	205,587
Due to and from related party	**(288,056)**	1,563,118	**(1,608,590)**	2,202,588
	(3,364,566)	1,121,516	**(6,481,241)**	(816,836)
Financing activities				
Issuance of shares and warrants for cash, net of issue cost	**8,685,093**	-	**8,685,093**	-
Exercise of warrants	**-**	-	**2,455,382**	1,460,000
Exercise of stock options	**-**	-	**166,500**	12,375
	8,685,093	-	**11,306,975**	1,472,375
Investing activities				
Disposition of property, plant and equipment	**5,747**	-	**30,204**	-
Acquisition of property, plant and equipment	**(35,393)**	-	**(35,393)**	(8,032)
	(29,646)	-	**(5,189)**	(8,032)
Increase (decrease) in cash and cash equivalents	**5,290,881**	1,121,516	**4,820,545**	647,507
Effect of changes in exchange rates on cash	**13,248**	11,637	**4,706**	17,292
Cash and cash equivalents, beginning of period	**548,362**	1,402,838	**1,027,240**	1,871,192
Cash and cash equivalents, end of period	**$ 5,852,491**	$2,535,991	**$ 5,852,491**	$ 2,535,991

See accompanying notes to the condensed interim consolidated financial statement

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine month periods ended September 30, 2017 and 2016

(Unaudited and expressed in Canadian Dollars)

			Equity reserves					
	Number of common shares	Share capital	Warrants reserve	Broker warrants reserve	Share-based payments reserve	Accumulated other comprehensive gain (loss)	Deficit	Total
Balance, December 31, 2016 (Restated - 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	-	-	-	-	-	-	**(76,248,402)**	**(76,248,402)**
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)**	-	-	-
Share-based payments	-	-	-	-	**961,646**	-	-	**961,646**
Shares issued for acquisition of Ventures	**92,681,290**	**62,096,464**	-	-	-	-	-	**62,096,464**
Shares issued for HPX Phase III spending and management fees	**12,364,623**	**8,407,944**	**1,607,401**	-	-	-	-	**10,015,345**
Shares issued for private placement	**12,346,000**	**8,395,280**	**1,604,980**	-	-	-	-	**10,000,260**
Share issuance cost	-	**(1,231,575)**	**(235,448)**	-	-	-	-	**(1,467,023)**
Underwriter's compensation options issued	-	-	-	**48,149**	**103,706**	-	-	**151,855**
Unrealized foreign exchange loss	-	-	-	-	-	**(61,027)**	-	**(61,027)**
Balance,September 30, 2017	**206,438,643**	**$139,615,465**	**$10,683,695**	**$ 48,149**	**$ 4,734,157**	**$ (225,152)**	**$ (146,489,663)**	**$ 8,366,651**
Balance, December 31, 2015 (Restated - Note 3)	79,445,436	$ 56,664,991	$ 8,673,851		$ 2,285,736	$ (236,962)	$ (65,713,238)	$ 1,674,378
Net loss for the period	-	-	-		-	-	(3,494,655)	(3,494,655)
Exercise of warrants - cash proceeds	7,300,000	1,460,000	-		-	-	-	1,460,000
Fair value of warrants exercised	-	405,761	(405,761)		-	-	-	-
Exercise of stock options - cash proceeds	75,000	12,375	-		-	-	-	12,375
Fair value of stock options exercised	-	12,375	-		(12,375)	-	-	-
Warrants issued for asset acquisition	-	-	38,000		-	-	-	38,000
Share-based payments	-	-	-		976,474	-	-	976,474
Unrealized foreign exchange loss	-	-	-		-	102,124	-	102,124
Balance, September 30, 2016	86,820,436	$ 58,555,502	$ 8,306,090		$ 3,249,835	$ (134,838)	$ (69,207,893)	$ 768,696

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 a result of the Transaction described in note 8, as at September 30, 2017, High Power Exploration Inc. (“HPX”), the Company’s privately owned parent, held 66.6% (December 31, 2016 – 37.3%) 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 nine month period ended September 30, 2017, the Company incurred a net loss of $76,248,402 (September 30, 2016 - $3,494,655), a negative operating cash flow of $6,481,241 (September 30, 2016 - $816,836), had a working capital balance of $5,421,531 as at September 30, 2017 calculated as total of cash and cash equivalent and other receivable minus accounts payable and accrued liabilities (December 31, 2016 - $480,417), and an accumulated deficit of $146,489,663 as at September 30, 2017 (December 31, 2016 - $70,241,261). 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 and nine month periods ended September 30, 2017, with comparative information as at December 31, 2016 and for the three and nine month periods ended September 30, 2016, have been prepared in accordance with IAS 34. These unaudited interim 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, 2016. 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, except as described in Note 3 herein.

These unaudited condensed interim consolidated financial statements were approved by the board of directors on November 17, 2017.

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

Besides the expensing of exploration and evaluation asset acquisition costs described below, 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, 2016 to all the periods presented in these unaudited condensed interim consolidated financial statements.

During the quarter ended September 30, 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	Adjusted 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.

Standards, amendments and interpretations issued but not yet applied

The following revised standards and amendments, unless otherwise stated, are effective on or after January 1, 2018, with early adoption permitted, and have not been applied in preparing these unaudited interim consolidated financial statements. Management is considering the impact of these standards.

IFRS 9, Financial Instruments ("IFRS 9") replaces IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") and some of the requirements of IFRS 7, Financial Instruments: Disclosures ("IFRS 7"). The objective of IFRS 9 is to establish principles for reporting of financial assets and financial liabilities in respect of the assessment of the amounts, timing and uncertainty of an entity's future cash flows.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company expects the impact as a result of the new requirements to not be material.

IFRS 15, Revenue from Contracts with Customers ('IFRS 15") replaces IAS 11, Construction Contracts ("IAS 11"), IAS 18, Revenue ("IAS 18") and some revenue- related interpretations. The objective of IFRS 15 is to provide a single comprehensive revenue recognition model that applies to contracts with customers using two approaches to recognizing revenue – at one point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of the revenue recognized.

IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company expects the impact as a result of the new requirements to not be material.

IFRS 16, Leases ('IFRS 16") replaces IAS 17, Leases ("IAS 17"). The new model requires the recognition of almost all 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.

(Expressed in Canadian Dollars)

IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company expects the impact as a result of the new requirements to not be material.

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

Except the accounting policy change noted in Note 3, 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, 2016 to all the periods presented in these unaudited condensed interim consolidated financial statements.

5. CASH AND CASH EQUIVALENTS

As of	September 30, 2017	December 31, 2016
Cash held in bank accounts	$ 942,946	$ 1,027,240
Term deposits	4,909,545	-
	$ 5,852,491	$ 1,027,240

(Expressed in Canadian Dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Furniture and equipment	Vehicles	Land	Leasehold improvements	Total
Cost						
Balance - December 31, 2015	52,490	92,772	136,237	-	14,427	295,926
Additions	1,186	6,846	-	-	-	8,032
Write-offs and disposals	-	(4,429)	-	-	-	(4,429)
Foreign exchange	(1,349)	(1,944)	(4,081)	-	-	(7,374)
Balance - December 31, 2016	**52,327**	**93,245**	**132,156**	**-**	**14,427**	**292,155**
Additions*	**50,523**	**109,939**	**85,560**	**523,588**	**-**	**769,610**
Write-offs and disposals	**-**	**-**	**(150,477)**	**-**	**-**	**(150,477)**
Balance - September 30, 2017	**$ 102,850**	**$ 203,184**	**$ 67,239**	**$ 523,588**	**$ 14,427**	**$911,288**
Accumulated amortization						
Balance - December 31, 2015	22,310	23,640	63,618	-	14,212	123,780
Charge for the period	11,814	12,635	36,121	-	215	60,785
Write-offs and disposals	-	(2,434)	-	-	-	(2,434)
Foreign exchange	(370)	(320)	(1,411)	-	-	(2,101)
Balance - December 31, 2016	**33,754**	**33,521**	**98,328**	**-**	**14,427**	**180,030**
Charge for the period	**15,541**	**20,218**	**24,800**	**-**	**-**	**60,559**
Write-offs and disposals	**-**	**-**	**(130,148)**	**-**	**-**	**(130,148)**
Foreign exchange	**(693)**	**(752)**	**(1,103)**	**-**	**-**	**(2,548)**
Balance - September 30, 2017	**$ 48,602**	**$ 52,987**	**$ (8,123)**	**$ -**	**$ 14,427**	**$107,893**
Net book value						
As of December 31, 2016	$ 18,573	$ 59,724	$ 33,828	$ -	$ -	$112,125
Balance - September 30, 2017	**$ 54,248**	**$ 150,197**	**$ 75,362**	**$ 523,588**	**$ -**	**$803,395**

**Included in additions are non-cash additions of $734,217 as a result of the Transaction (see Note 8 and Note 10).*

7. EXPLORATION AND EVALUATION ASSETS

In July 2017, the Company completed the acquisition of HPX's 51% interest in the San Matias Joint Venture ("San Matias") through the acquisition of HPX Colombia Ventures Ltd. ("Ventures"), a wholly-owned subsidiary of HPX, for consideration of 92,681,290 Cordoba common shares (the "Consideration"). The fair value of the common shares on the transaction closing date of $62,096,464 has been expensed as evaluation and exploration asset acquisition costs for the period.

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) and additional US$250,000 payments on completion of the Definitive Agreement 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.
d) Cordoba will file with the Colombian government for the relevant approvals to conduct activities of construction and commercial production at Alacran before June 30, 2018.
e) A US$14,000,000 payment to OMNI when the environmental license and all other approvals, permits or licenses required to commence the construction and operation of a commercial mine at Alacran have been granted on a final basis by the Colombian government.
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.

For the three and nine months ended September 30, 2017, the Company has paid US$250,000 on the 24-month anniversary of signing the LOI.

8. SHARE CAPITAL

On July 31, 2017, the Company acquired (the "Transaction") HPX's 51% interest in the San Matias Joint Venture through the acquisition of HPX Colombia Ventures Ltd., a wholly-owned subsidiary of HPX, for consideration of 92,681,290 Cordoba common shares (the "Consideration").

(Expressed in Canadian Dollars)

Transaction Overview

The Consideration paid to HPX on closing of the Transaction consisted of the issuance by Cordoba of 92,681,290 Cordoba common shares (see Note 7), such that HPX converted its existing 51% direct economic interest in San Matias to a 51% direct economic interest in Cordoba. Combined with HPX's existing 36% ownership interest in Cordoba, after the Transaction, HPX holds a combined 67% ownership interest in Cordoba after the Concurrent Financing.

In addition, Cordoba issued 12,364,623 Units, with each Unit consisting of one Cordoba common share and one-half of one Cordoba common share purchase warrant to HPX at a deemed price of $0.81 per Unit, that being the same price as the Offering (as described below), to compensate HPX for approximately $10 million of HPX joint venture expenditures incurred by HPX in connection with the San Matias property since November 2016, when HPX earned a 51% interest in San Matias.

The Consideration and reimbursement have been applied in the current period financial statement as follows:

		Amount
Consideration of 92M Cordoba common shares to acquire 51% JV interest	$	62,096,464
Value of 12M Units for post-Phase II spending reimbusement		10,015,345
Non-cash PP&E addition (see Note 5)		(734,217)
Other adjustment		(1,285)
Non-cash Exploration and Evaluation Expense for the period	$	71,376,307

Concurrent Financing

On July 11, 2017, the Company completed a bought deal private placement offering (the "Offering") of 12,346,000 subscription receipts (the "Subscription Receipts"). BMO Capital Markets acted as the lead underwriter for a syndicate of underwriters including Sprott Private Wealth LP and Haywood Securities Inc. Each Subscription Receipt was sold at a price of C$0.81, for aggregate gross proceeds of approximately $10 million, and entitled the holder thereof to receive one common share in the capital of the Company (each, a "Common Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") upon closing of the Transaction. Each Warrant will be exercisable to acquire one common share of the Company (each, a "Warrant Share") at a price of $1.08 per Warrant Share, until July 11, 2019, subject to adjustment in certain events.

The proceeds of the July 2017 private placement net of share issuance costs of $1.4 million have been bifurcated using the relative fair value method resulting in $7.2 million recorded as share capital and $1.4 million recorded as warrant reserve. The fair value of each Warrant issued in the July 2017 Offering and Transaction has been estimated as of the date of the issuance using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.12%, dividend yield of 0%, volatility of 89.85% and expected life of two years.

All securities issued pursuant to the Offering are subject to a statutory hold period of four months from July 11, 2017.

(Expressed in Canadian Dollars)

Investment Agreement

Upon closing of the Transaction, subject to certain conditions set out in an investment agreement (the "Investment Agreement") to be entered into between Cordoba and HPX, HPX will have certain Cordoba board nomination rights (described below) and the right to participate in any future equity offerings completed by Cordoba in order to maintain its pro rata ownership in Cordoba.

Following completion of the Transaction, the Board is to be comprised of seven directors with HPX being entitled to nominate four of those directors, with at least one of such nominees being independent. The Investment Agreement provides for HPX's nominees to the Board to be reduced to less than a majority of the directors if HPX's ownership interest in Cordoba is diluted to below 50%, with further proportional reductions thereafter.

HPX has also agreed to not sell or transfer any of the Consideration or the securities comprising its Units for a period of at least 180 days following the closing of the Transaction.

HPX's entitlements under the Investment Agreement will remain in place as long as HPX's ownership interest in Cordoba remains at or above 10% of the issued and outstanding shares of Cordoba.

(a) Common Shares

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

As at September 30, 2017, there were no common shares (December 31, 2016 - 2,309,524) held in escrow.

(b) Share Purchase Warrants

A summary of share purchase warrants activity for the period ended September 30, 2017 is as follows:

	Number of warrants	Exercise price
Balance - December 31, 2016	15,150,294	$1.49
Exercised	(1,701,294)	$1.44
Expired	(13,398,900)	$1.50
Granted	12,355,311	$1.08
Balance - September 30, 2017	**12,405,411**	

(Expressed in Canadian Dollars)

Details of share purchase warrants outstanding as of September 30, 2017 and December 31, 2016 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 - September 30, 2017	**12,405,411**	**1.08**

Expiry date	Number of warrants	Weighted average exercise price
March 31, 2017	15,000,000	$1.50
April 1, 2018	100,000	$0.21
January 20, 2019	50,294	$0.86
Balance - December 31, 2016	**15,150,294**	**1.49**

(c) Compensation Options

As of September 30, 2017, the Company has 370,380 compensation options outstanding (December 31, 2016 – Nil). 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.

9. 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.

The following is a summary of share purchase options activity for the period ended September 30, 2017:

(Expressed in Canadian Dollars)

				During the period					
Grant date	Expiry date	Exercise price	Opening balance	Granted	Exercised	Expired / Cancelled	Closing balance	Vested and exercisable	Unvested
8-1-12	7-31-22	$1.00	62,500	-	(25,000)	-	37,500	37,500	-
3-28-14	10-9-17	$1.06	175,240	-	-	-	175,240	175,240	-
3-28-14	3-20-18	$1.42	73,601	-	-	-	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	1,530,000	-	(100,000)	-	1,430,000	1,430,000	-
5-26-15	5-26-25	$0.21	1,362,500	-	(250,000)	-	1,112,500	1,112,500	-
10-24-15	10-24-25	$0.13	300,000	-	-	-	300,000	300,000	-
11-24-15	11-24-25	$0.12	1,512,500	-	(75,000)	-	1,437,500	1,437,500	-
4-19-16	4-19-26	$0.85	1,925,000	-	-	-	1,925,000	1,443,750	481,250
11-9-16	11-9-26	$0.74	200,000	-	-	(100,000)	100,000	100,000	-
7-31-17	7-31-22	$0.81	-	150,000	-	-	150,000	37,500	112,500
			7,158,865	150,000	(450,000)	(100,000)	6,758,865	6,165,115	593,750
Weighted ave. exercise price			$ 0.54	$ 0.81	$ 0.37	$ -	$ 0.56	$ 0.53	$ 0.84

As at September 30, 2017, the unrecognized stock option value was $160,641 (December 31, 2016 - $432,938).

The weighted average remaining contractual life of the options outstanding at September 30, 2017 is 7.41 years (December 31, 2016 – 8.31 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
31-Jul-17	150,000	$ 0.81	0%	1.65%	5	133%

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 September 30, 2017 is as follows:

	Number of DSUs
Balance - December 31, 2016	-
Granted	350,000
Cancelled	-
Redeemed	-
Balance - September 30, 2017	**350,000**

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 September 30, 2017 is as follows:

	Numer of RSUs
Balance - December 31, 2016	-
Granted	990,000
Cancelled	-
Redeemed	-
Balance - September 30, 2017	**990,000**

Share-based compensation

For the three and nine month periods ended September 30, 2017 and 2016, share-based compensation comprises:

	Three months ended September 30,		Nine months ended September 30,	
For the period ended	**2017**	**2016**	**2017**	**2016**
Stock options share based compensation	$ 23,531	$ -	$ 321,796	$ 976,474
RSU share based compensation	405,350	-	405,350	-
DSU share based compensation	234,500	-	234,500	-
Total share based compensation	**$ 663,381**	$ -	**$ 961,646**	$ 976,474

(Expressed in Canadian Dollars)

10. EXPLORATION AND EVALUATION EXPENDITURES

For the three and nine month periods ended September 30, 2017 and 2016, exploration and evaluation expenditure comprises:

	Three months ended September 30,		Nine months ended September 30,	
For the period ended	**2017**	**2016**	**2017**	**2016**
Direct exploration costs	**$ 1,599,442**	$2,840,536	**$ 5,485,897**	$5,110,787
Indirect exploration costs	**1,187,505**	518,152	**4,494,426**	1,150,843
Site general and administration costs	**591,131**	407,052	**1,538,283**	1,291,377
E&E asset acquisition costs	**62,096,464**	-	**62,096,464**	-
Recovery reversal (recovery) from HPX	**8,140,528**	(3,779,903)	**-**	(6,183,992)
Exploration and evaluation expenditures	**$ 73,615,070**	$ (14,163)	**$73,615,070**	$ 1,369,015

During 2016, Cordoba and its then joint venture partner HPX completed the Initial Option Period, Phase One and Phase Two of the Joint Venture Agreement where HPX earned a 51% interest in the Joint Venture Company. HPX funded Phase One and Two of the JV directly; therefore, the Company did not incur any exploration and evaluation expenditure during those two phases. The funding received from HPX was recorded as a recovery, which offsets the exploration and evaluation expenditures on the Company's financial statements.

In July 2017, the Company consolidated the JV by acquiring HPX's 51% interest in San Matias through the acquisition of HPX Colombia Ventures Ltd. (see Note 7 and 8). The fair value of the common shares on the transaction closing date of $62,096,464 has been expensed as evaluation and exploration asset acquisition costs for the period. Concurrent with the Transaction, the Company reimbursed HPX for approximately $10 million JV expenditures HPX incurred after the completion of Phase Two by issuing 12,364,623 Units, where each Unit consists of one Cordoba common share and one-half of one Cordoba common share purchase warrant and has a deemed price of $0.81 per Unit, that being the same price as the Offering (as described above). The reimbursement is recorded as current period exploration and evaluation expenditures.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

The Company had transactions during the three and nine month periods ended September 30, 2017 and 2016 with related parties consisted of directors, officers and companies with common directors and/or officers:

During the three and nine month periods ended September 30, 2017, the Company incurred $25,374 and $66,852 respectively (September 30, 2016 - $Nil) in consulting fees to one of the Company's directors. The costs incurred consist of technical consulting services provided for the Company's exploration projects in Colombia.

During the three and nine month periods ended September 30, 2017, the Company incurred $30,151 and $2,255,489 respectively (September 30, 2016 - $239,604 and $990,970) 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 and nine month periods ended September 30, 2017, the Company incurred $72,523 and $114,394 respectively (September 30, 2016 - $Nil) 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.

Amount due from related parties as of September 30, 2017 represents $85,454 (December 31, 2016 - $Nil) net receivable from HPX. The amount represents the recoverable portion of shared personnel costs the Company incurred on behalf of HPX. The amount owing is unsecured, non-interest-bearing and payable on demand.

Amount due to related parties as of September 30, 2017 includes $27,553 (December 31, 2016 - $29,500) due to Continental Gold Limited, a company with a former common director. The balance also includes $46,908 (December 31, 2016 - $Nil) due to GMM. The amount owing is unsecured, non-interest-bearing and payable on demand.

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 September 30, 2017 and 2016, key management compensation comprises:

	Three months ended September 30,		Nine months ended September 30,	
For the period ended	**2017**	**2016**	**2017**	**2016**
Salaries and benefits	$ **278,525**	$ 254,375	$ **823,592**	$ 641,250
Share-based payments	**809,100**	-	**809,100**	1,370,250
	$ **1,087,625**	$ 254,375	$ **1,632,692**	$ 2,011,500

(Expressed in Canadian Dollars)

12. 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 September 30, 2017 and December 31, 2016 are located in Colombia and all of the exploration expenditures for the periods ended September 30, 2017 and 2016 respectively were incurred in Colombia. Substantially all of the Company's other assets are located, and expenditures were incurred, in Canada.

13. FINANCIAL INSTRUMENTS

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).

As at September 30, 2017 and December 31, 2016, the Company's financial instruments are comprised of cash and cash equivalents, other receivables, due from related parties, accounts payable and accrued liabilities, and due to related parties. With the exception of cash and cash equivalents, all financial instruments held by the Company are measured at amortized cost.

(Expressed in Canadian Dollars)

14. COMMITMENTS

The Company has commitments relating to an office lease ending February 2020. The minimum annual payments for the next 4 years are as follows:

		Amount
2017		13,237
2018		52,948
2019		52,948
2020		4,412
Total	**$**	**123,545**