CORDOBA MINERALS CORP.

Condensed Interim Consolidated Financial Statements

For the period ended

June 30, 2018

TSX-V: CDB

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2018 and December 31, 2017
(Unaudited and expressed in Canadian Dollars)

	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	**$ 243,411**	$ 2,414,435
Other receivables	**24,407**	66,855
Due from related parties (Note 12)	**-**	61,777
Prepaid expenses and deposits	**372,571**	824,219
	640,389	3,367,286
Non-current assets		
Colombian value added tax receivable (Note 6)	**1,317,950**	1,171,287
Property, plant and equipment (Note 7)	**960,586**	937,884
	2,278,536	2,109,171
TOTAL ASSETS	**$ 2,918,925**	$ 5,476,457
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 424,621**	$ 466,005
Due to related parties (Note 12)	**2,588,459**	45,921
	3,013,080	511,926
Shareholders' equity		
Share capital (Note 9)	**139,743,748**	139,615,465
Equity reserves (Note 9 and 10)	**15,523,448**	15,191,447
Accumulated other comprehensive loss	**(48,232)**	(259,886)
Deficit	**(155,313,119)**	(149,582,495)
	(94,155)	4,964,531
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 2,918,925**	$ 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 and six month periods ended June 30, 2018 and 2017
(Unaudited and expressed in Canadian Dollars)

	Three months ended		Six months ended	
	June 30, 2018	**June 30, 2017**	**June 30, 2018**	**June 30, 2017**
Operating expenses				
Exploration and evaluation expenditures (Note 11)	**$ 1,913,407**	$ -	**$ 4,412,709**	$ -
Corporate administration	**375,185**	546,978	**803,724**	1,096,344
Share-based payments (Note 10)	**408,251**	298,265	**408,251**	298,265
Amortization	**14,221**	11,411	**29,527**	26,094
	2,711,064	856,654	**5,654,211**	1,420,703
Other income (expense)				
Interest and other income (expense)	**(19,198)**	1,404	**(23,560)**	(3,900)
Foreign exchange loss	**(38,251)**	(3,311)	**(52,853)**	(8,023)
Gain on disposition of property, plant and equipment	**-**	8,590	**-**	8,590
	(57,449)	6,683	**(76,413)**	(3,333)
Net loss for the period	**$ (2,768,513)**	$ (849,971)	**$ (5,730,624)**	$ (1,424,036)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on foreign exchange translation	**(30,367)**	53,077	**211,654**	(21,752)
Comprehensive loss for the period	**$ (2,798,880)**	$ (796,894)	**$ (5,518,970)**	$ (1,445,788)
Loss per share, basic and diluted	**$ (0.01)**	$ (0.01)	**$ (0.03)**	$ (0.02)
Weighted average number of common shares outstanding	**206,760,072**	89,046,730	**206,721,240**	88,562,213

See accompanying notes to the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three and six month periods ended June 30, 2018 and 2017
(Unaudited and expressed in Canadian Dollars)

	Three months ended		Six months ended	
	June 30, 2018	**June 30, 2017**	**June 30, 2018**	**June 30, 2017**
Operating activities				
Loss for the period	**$ (2,768,513)**	$ (849,971)	**$ (5,730,624)**	$ (1,424,036)
Items not affecting cash:				
Share-based payments	**408,251**	298,265	**408,251**	298,265
Amortization	**14,221**	11,411	**29,527**	26,094
Gain on disposition of property, plant and equipment	**-**	(8,590)	**-**	(8,590)
Unrealized foreign exchange gain (loss)	**(125,827)**	(129,612)	**228,371**	(47,742)
Changes in non-cash working capital balances:				
Other receivables	**60,811**	(50,870)	**(184,808)**	(236,757)
Prepaid expenses and deposits	**80,215**	(75,322)	**451,648**	(797,724)
Accounts payable and accrued liabilities	**(81,397)**	593,727	**(41,384)**	394,349
Due to and from related party	**547,679**	(2,057,917)	**659,325**	(1,320,534)
	(1,864,560)	(2,268,879)	**(4,179,694)**	(3,116,675)
Financing activities				
Exercise of warrants	**-**	-	**-**	2,455,382
Exercise of stock options	**3,000**	-	**42,000**	166,500
Recovery of share issuance cost	**-**	-	**10,033**	-
Short-term loan from related party	**680,610**	-	**1,969,200**	-
	683,610	-	**2,021,233**	2,621,882
Investing activities				
Disposition of property, plant and equipment	**-**	24,457	**-**	24,457
Acquisition of property, plant and equipment	**(4,948)**	-	**(13,218)**	-
	(4,948)	24,457	**(13,218)**	24,457
Decrease in cash and cash equivalents	**(1,185,898)**	(2,244,422)	**(2,171,679)**	(470,336)
Effect of changes in foreign exchange rates on cash	**19,531**	(43,504)	**655**	(8,542)
Cash and cash equivalents, beginning of period	**1,409,778**	2,836,288	**2,414,435**	1,027,240
Cash and cash equivalents, end of period	**$ 243,411**	$ 548,362	**$ 243,411**	$ 548,362

See accompanying notes to the condensed interim consolidated financial statement

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the six month periods ended June 30, 2018 and 2017

(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, 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	-	-	-	-	-	-	(5,730,624)	(5,730,624)
Settlement of Deferred Share Units (DSU)	50,000	33,500	-	-	(33,500)	-	-	-
Exercise of stock options - cash proceeds	275,000	42,000	-	-	-	-	-	42,000
Fair value of stock options exercised	-	42,750	-	-	(42,750)	-	-	-
Share-based payments	-	-	-	-	408,251	-	-	408,251
Share issuance cost - refund	-	10,033	-	-	-	-	-	10,033
Unrealized foreign exchange gain	-	-	-	-	-	211,654	-	211,654
Balance, June 30, 2018	**206,763,643**	**$139,743,748**	**$10,683,695**	**$ 48,149**	**$ 4,791,604**	**$ (48,232)**	**$ (155,313,119)**	**$ (94,155)**
Balance, December 31, 2016	86,895,436	$ 58,574,252	$ 8,306,090	$ -	$ 3,820,695	$ (164,125)	$ (70,241,261)	$ 295,651
Net loss for the period	-	-	-	-	-	-	(1,424,036)	(1,424,036)
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	-	-	-	-	298,265	-	-	298,265
Unrealized foreign exchange loss	-	-	-	-	-	(21,752)	-	(21,752)
Balance, June 30, 2017	89,046,730	$ 61,947,352	$ 7,706,762	$ -	$ 3,967,070	$ (185,877)	$ (71,665,297)	$ 1,770,010

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 June 30, 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 six month period ended June 30, 2018, the Company incurred a net loss of $5,730,624 (June 30, 2017 - $1,424,036), an operating cash outflow of $4,179,694 (June 30, 2017 - $3,116,675), and an accumulated deficit of $155,313,119 as at June 30, 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 and six month periods ended June 30, 2018, with comparative information as at December 31, 2017 and for the three and six month periods ended June 30, 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 August 7, 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.

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. The Company adopted IFRS 9 on a retrospective basis. 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.

(Expressed in Canadian Dollars)

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.

5. CASH AND CASH EQUIVALENTS

		June 30, 2018		December 31, 2017
Cash held in bank accounts	**$**	**243,411**	$	1,298,477
Term deposits		**-**		1,115,958
	$	**243,411**	$	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.

(Expressed in Canadian Dollars)

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	**4,091**	**9,127**	**-**	**-**	**-**	**13,218**
Write-offs and disposals	**(6,090)**	**(1,239)**	**-**	**-**	**-**	**(7,329)**
Foreign exchange	**5,508**	**9,498**	**5,674**	**31,179**	**-**	**51,859**
Balance - June 30, 2018	**$ 112,528**	**$ 222,647**	**$ 73,635**	**$ 695,739**	**$ 14,427**	**$ 1,118,976**
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	**8,404**	**10,838**	**10,285**	**-**	**-**	**29,527**
Write-offs and disposals	**(2,506)**	**(640)**	**-**	**-**	**-**	**(3,146)**
Foreign exchange	**3,107**	**2,908**	**2,650**	**-**	**-**	**8,665**
Balance - June 30, 2018	**$ 61,996**	**$ 71,833**	**$ 10,134**	**$ -**	**$ 14,427**	**$ 158,390**
Net book value						
As of December 31, 2017	$ 56,028	$ 146,534	$ 70,762	$ 664,560	$ -	$ 937,884
Balance - June 30, 2018	**$ 50,532**	**$ 150,814**	**$ 63,501**	**$ 695,739**	**$ -**	**$ 960,586**

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 on the 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.

(Expressed in Canadian Dollars)

c) A US$1,000,000 payment to OMNI on the 24-month anniversary of completion of the Definitive Agreement. As of June 30, 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 accrued as of June 30, 2018 (Note 16).

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

A summary of share purchase warrants activity for the period ended June 30, 2018 is as follows:

	Number of warrants	Exercise price
Balance - December 31, 2017	12,405,411	$1.08
Expired	(50,100)	$0.21
Balance - June 30, 2018	**12,355,311**	**$1.08**

Details of share purchase warrants outstanding as of June 30, 2018 are:

Expiry date	Number of warrants	Weighted average exercise price
July 11, 2019	12,355,311	$1.08

(c) Compensation Options

As of June 30, 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.

(Expressed in Canadian Dollars)

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.

The following is a summary of share purchase options activity for the period ended June 30, 2018:

				During the period					
Grant date	Expiry date	Exercise price	Opening balance	Granted	Exercised	Expired/ Cancelled/ Forfeited	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	-	-	(100,000)	1,330,000	1,330,000	-
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	-	(175,000)	-	1,262,500	1,262,500	-
4-19-16	4-19-26	$0.85	1,925,000	-	-	(100,000)	1,825,000	1,825,000	-
11-9-16	11-9-26	$0.74	100,000	-	-	-	100,000	100,000	-
7-31-17	7-31-22	$0.81	150,000	-	-	(112,500)	37,500	37,500	-
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	-	(200,000)	4,150,000	-	4,150,000
4-9-18	4-9-23	$0.17	-	400,000	-	-	400,000	-	400,000
			6,658,625	**4,750,000**	**(275,000)**	**(586,101)**	**10,547,524**	**5,941,274**	**4,606,250**
Weighted ave. exercise price			**$ 0.55**	**$ 0.20**	**$ 0.15**	**$ -**	**$ 0.39**	**$ 0.54**	**$ 0.20**

As at June 30, 2018, the unrecognized stock option value was $530,815 (December 31, 2017 - $59,844).

The weighted average remaining contractual life of the options outstanding at June 30, 2018 is 6.04 years (December 31, 2017 – 7.41 years).

(Expressed in Canadian Dollars)

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%
09-Apr-18	400,000	$ 0.165	0%	2.00%	5	91.14%

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.

A summary of DSU activity for the period ended June 30, 2018 is as follows:

	Number of DSUs
Balance - December 31, 2017	350,000
Granted	-
Cancelled	-
Redeemed	(50,000)
Balance - June 30, 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 June 30, 2018 is as follows:

	Number of RSUs
Balance - December 31, 2017	1,035,000
Granted	-
Cancelled/Forfeited	(185,000)
Redeemed	-
Balance - June 30, 2018	**850,000**

(Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION EXPENDITURES

For the three and six month periods ended June 30, 2018 and 2017, exploration and evaluation expenditure comprises:

	Three months ended		Six months ended	
	June 30, 2018	**June 30, 2017**	**June 30, 2018**	**June 30, 2017**
Direct exploration costs	**$ 364,226**	$ 2,014,982	**$ 798,730**	$ 3,886,455
Indirect exploration costs	**615,772**	2,608,157	**1,561,013**	3,306,921
Site general and administration costs	**371,453**	434,614	**773,662**	947,152
E&E acquisition costs	**561,956**	-	**1,279,304**	-
Recovery from HPX	**-**	(5,057,753)	**-**	(8,140,528)
Exploration and evaluation expenditures	**$ 1,913,407**	$ -	**$ 4,412,709**	$ -

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 and six month periods ended June 30, 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 and six month periods ended June 30, 2018, the Company incurred $18,638 and $50,156 respectively (June 30, 2017 - $1,962,603 and $2,225,338) 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 six month periods ended June 30, 2018, the Company incurred $145,976 and $272,221 respectively (June 30, 2017 - $30,353 and $34,689) 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 June 30, 2018 includes $23,852 (December 31, 2017 - $43,626) net payable to GMM. The amount owing is unsecured, non-interest-bearing and payable on demand.

(Expressed in Canadian Dollars)

Amount due to related parties as of June 30, 2018 also includes $2,564,607 (December 31, 2017 - $Nil) net payable to HPX. The amount includes $75,101 receivable from HPX (December 31, 2017 - $59,482) representing the recoverable portion of shared personnel costs the Company incurred on behalf of HPX. The amount also includes $50,156 payable to HPX (December 31, 2017 - $12,409) representing the services provided by HPX to the Company. These amounts are unsecured, non-interest-bearing and payable on demand. The amount due to HPX also includes a short-term loan of US$1,500,000 to fund the Company's corporate administration and exploration costs. The loan is due on demand or, if earlier, September 30, 2018. The loan bears an interest of 10% per annum. (Note 16)

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 three and six month periods ended June 30, 2018 and 2017, key management compensation comprises:

	Three months ended		Six months ended	
	June 30, 2018	**June 30, 2017**	**June 30, 2018**	**June 30, 2017**
Salaries and benefits	**$ 224,214**	$ 260,625	**$ 409,433**	$ 521,250
Share-based payments*	**48,000**	-	**517,000**	-
	$ 272,214	$ 260,625	**$ 926,433**	$ 521,250

**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.*

***As of June 30, 2018, the Company had 6 officers and 6 directors whose compensation were included in the table above.*

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 June 30, 2018 and December 31, 2017 are located in Colombia and all of the exploration expenditures for the periods ended June 30, 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.

(Expressed in Canadian Dollars)

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.

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. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions.

As at		June 30, 2018		December 31, 2017
Cash held in bank accounts	**$**	**243,411**	$	1,298,477
Term deposits		**-**		1,115,958
	$	**243,411**	$	2,414,435

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 June 30, 2018, the Company had cash and cash equivalents of $0.2 million (December 31, 2017 - $2.4 million) and a loan agreement with HPX to draw additional funds to apply against third-party short-term business requirements and current liabilities of $0.4 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.

(Expressed in Canadian Dollars)

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 and cash and borrowings in USD. The Company monitors this exposure, but has no hedge positions.

As at June 30, 2018, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	June 30, 2018		**December 31, 2017**	
	US Dollars (CDN equivalent)	**Colombian Pesos** (CDN equivalent)	**US Dollars** (CDN equivalent)	**Colombian Pesos** (CDN equivalent)
Cash	**$ 157,749**	**$ 45,110**	$ 6,945	$ 131,751
Other receivables	**-**	**7,671**	-	51,475
Accounts payable and accrued liabilities	**-**	**(254,451)**	-	(349,114)
Due to related parties	**(2,639,708)**	**-**	-	-
	$ (2,481,959)	**$ (201,670)**	$ 6,945	$ (165,888)

Based on the above net exposures at June 30, 2018, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an increase or decrease of approximately $268,400 (December 31, 2017 - $15,900) in the Company's net loss and comprehensive loss for the year.

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.

(Expressed in Canadian Dollars)

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		26,474
2019		52,948
2020		4,412
Total	**$**	**83,834**

16. SUBSEQUENT EVENT

On July 25, 2018, the Company announced that it is raising US$1.3 million through a non-brokered private placement (the "Placement") of common shares with the Company's majority shareholder, High Power Exploration Inc. ("HPX"). The transaction closed on August 3, 2018.

Under the terms of the non-brokered private placement (the "Placement"), Cordoba issued 16,289,619 common shares to HPX for gross proceeds to the Company totalling US$1.3 million. Cordoba will use the proceeds to advance exploration activities at the Company's 100%-owned San Matias Copper-Gold Project in the Department of Cordoba, Colombia, and for general working capital and other corporate purposes.

Cordoba also converted the principal and interest owed to HPX under the short-term loans that HPX previously advanced to the Company (the "Loans") into common shares (the "Debt Conversion") at a price per share that is equal to the issue price under the Placement. Accordingly, HPX received an additional 21,941,567 common shares in connection with converting the approximately US$1.75 million owed under the Loans.

Cordoba also issued 5,336,103 shares to HPX at the same price per share as under the Placement to satisfy a deferred payment owed to HPX totalling US$425,850 relating to Cordoba's acquisition of the Alacran Project (the "Omni Settlement").

The common shares issued in connection with the Placement, Debt Conversion and Omni Settlement are subject to a statutory four month hold period.

With the completion of the transactions, HPX holds 180,984,035 common shares of Cordoba, representing an approximate 72.3% interest.