(the "Company")

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2015

GENERAL

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the audited consolidated financial statements of the Company for the year ended December 31, 2015. The following information, prepared as of April 18, 2016, should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in Canadian dollars unless otherwise indicated.

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

FORWARD LOOKING STATEMENTS

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "will", "may", "should", "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance.

Forward-looking statements are statements that are not historical facts and include but are not limited to:

a) Estimates and their underlying assumptions;
b) Statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, the impact of regulatory initiatives on the Company's operations and market opportunities;
c) General industry and macroeconomic growth rates;
d) Expectations related to possible joint or strategic ventures; and
e) Statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

DESCRIPTION OF BUSINESS

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's San Matias Copper-Gold Project (the "San Matias Project") is located in the Municipality of Puerto Libertador, in the Department of Cordoba, Colombia. The project comprises a 20,000-hectare land package on the inferred northern extension of the richly endowed Mid Cauca Belt underlain by volcano-sedimentary rocks that are intruded by multiple dioritic intrusives with excellent potential to host porphyry copper-gold deposits.

The San Matias Project contains several known areas of porphyry copper-gold mineralization, copper-gold skarn mineralization and vein-hosted, gold-copper mineralization. Porphyry mineralization at the San Matias Project incorporates high-grade zones of copper-gold mineralization hosted by diorite porphyries containing secondary biotite alteration and various orientations of sheeted and stockwork quartz-magnetite veins with chalcopyrite and bornite. The copper-gold skarn mineralization at Alacran is associated with stratabound replacement of a marine volcano-sedimentary sequence. District scale alteration and an abundance of mineralized showings at San Matias shows similarities to other world-class tier one copper-gold porphyry deposits.

The San Matias Project is a joint venture between Cordoba and High Power Exploration Inc. ("HPX"), a private mineral exploration company founded by mining entrepreneur Robert Friedland. HPX has the option to earn up to a 65% interest in the San Matias Project by funding the project and completing a National Instrument 43-101 compliant feasibility study.

CORPORATE UPDATE

Acquisition of the Alacran Copper-Gold Project in Colombia

On October 21, 2015, the Company entered into an option agreement with Sociedad Ordinaria de Minas Omni ("OMNI") to purchase the Alacran Copper-Gold Project ("Alacran" or the "Alacran Project"). The acquisition enables Cordoba to consolidate the entire San Matias Copper-Gold District in the Department of Cordoba in the northwest of Colombia.

The Alacran Copper-Gold Project is located within the tenure of the Company's San Matias Copper-Gold Project in the Department of Cordoba, Colombia. Over 13,000 metres of diamond drilling has been carried out at the project to date including 139 metres of 1.23% Cu and 0.74 g/t Au in SJ-006, 188 metres of 0.71% Cu and 0.25 g/t Au in ASA-012 and 128 metres of 0.84% Cu and 0.45 g/t Au in ASA-0141.

The majority of the intersected mineralization has only been tested to an average vertical depth of 150 metres, with the deepest intersections only 240 metres below surface. Mineralization is traced over a strike length of greater than 1,300 metres. The copper-gold mineralization defined to date represents an excellent opportunity for Cordoba to delineate a large high-grade, copper-gold resource that has the potential to grow significantly as the deposit is open in almost all directions.

[1] True width intervals of the mineralization are not fully defined from the information available at present.

Alacran is approximately two kilometres southwest of the Company's Montiel discovery, where recent drilling interested 101 metres of 1.0% Cu and 0.65 g/t Au, and two kilometres west of Costa Azul where recent drilling interested 87 metres of 0.62% Cu and 0.51 g/t Au[1]. An initial 3,000 metre diamond drilling program to confirm the known mineralization and test for both vertical and strike extensions commenced in the fourth quarter of 2015.

Option Terms

The Company has acquired an option (the "Option") to earn a 100% interest in the Alacran Project by completing the following commitments and can drop the Option at anytime without penalty:

- 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.
- 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.
- A US$1,000,000 payment to OMNI on the 24-month anniversary of completion of the Definitive Agreement.
- 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.
- 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.
- 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.

As of the date of this report, the Company has completed the Definitive Agreement for the acquisition and has paid a total of US$500,000 upon completion of the LOI and Definitive Agreement. The Company has issued 100,000 warrants pursuant to the earn-in agreement. Each warrant is exercisable to acquire one common share of the Company at an exercise price of $0.21 until April 1, 2018.

Strategic Partnership with High Power Exploration Inc.

On May 8, 2015, the Company announced that HPX, a private mineral exploration company indirectly controlled by mining entrepreneur Robert Friedland, has agreed to form a partnership with Cordoba.

Under the terms of the strategic partnership agreement (the "Agreement"), HPX subscribed for an aggregate of 7,300,000 units ("Units") of the Company at a purchase price of $0.14 per Unit to raise aggregate gross proceeds of $1,022,000 (the "June 2015 Private Placement"). Each Unit consists of one Common Share and one share purchase warrant of the Company (each a "Warrant"), with each Warrant being exercisable to acquire one additional Common Share at an exercise price of $0.20 for a period of three years from the date of issuance thereof. If fully exercised, the warrant subscription proceeds will total an additional C$1,460,000 to Cordoba. The June 2015 Private Placement closed on June 16, 2015.

In connection with the Private Placement, the Company also entered into an investment agreement (the "Investment Agreement") with HPX, which provides for the following additional terms:

- HPX shall be granted the priority right to fund a minimum of 50% of any future equity raising by the Company, up to a maximum ownership interest by HPX of 35% of the issued and outstanding Common Shares;

- as long as HPX and its affiliates hold in excess of 10% of the issued and outstanding Common Shares, HPX shall be granted (i) pre-emptive/anti-dilution rights to maintain its ownership percentage in the Company in future equity financings; and (ii) the right, but not the obligation, to nominate a director to the board of directors of the Company;
- the Company shall be prohibited from creating any class of shares with rights superior to the Common Shares;
- HPX shall agree that for a period of two years following the closing of the Private Placement, provided that it and/or its affiliates hold 10% or more of the issued and outstanding Common Shares in the aggregate, in the event that it wishes to dispose of any such Common Shares, it shall provide a minimum of three business days prior written notice to the Company in order for the Company to source a purchaser for such Common Shares; and
- HPX shall agree to customary standstill provisions for a period of three years following the closing of the Private Placement, subject to certain customary exceptions, and provided that HPX and its affiliates shall not be prohibited from acquiring up to an aggregate of 46% of the issued and outstanding Common Shares, calculated on a partially diluted basis as of each respective date of acquisition, assuming the exercise of convertible securities held by HPX and its affiliates only.

In addition, concurrently with the closing of the Private Placement, the Company also entered into a joint venture and earn-in agreement with HPX (the "Joint Venture Agreement") with respect to a 50 kilometre radius surrounding the San Matias Project and all other Colombian mineral title held (directly or indirectly) and under application at the date of closing of the Private Placement (collectively, the "Subject Assets"), which Joint Venture Agreement provides for the establishment of a joint venture company (the "JV Company") to hold the Subject Assets, and in which HPX may earn an interest as follows:

Initial Option Period

- HPX shall fund C$2,500,000 of exploration work on the San Matias Project, to take place within 18 months of securing all the necessary permits and approvals for such work, and land access being available (the "Initial Option Period"), which amount shall be funded by the gross proceeds of the Private Placement and the amount payable by HPX upon exercise of the Warrants, subject to HPX funding any shortfall
- Throughout the Initial Option Period, HPX shall have the exclusive option to enter into a joint venture on the San Matias Project by meeting the expenditure requirements set out under Phases 1 to 3 below

Phase 1

- HPX would fund C$6,000,000 of exploration work and target drilling on the San Matias Project, to take place within 36 months from the end of the Initial Option Period in order to earn a 25% interest in the JV Company
- The Company cannot co-fund during Phase 1
- HPX would have the option to advance the San Matias Project to Phase 2 at the conclusion of Phase 1, or abandon the joint venture in Phase 1 without any further obligation to fund Phase 1 or any subsequent phase, and in the latter case:
    - HPX will be deemed to have cancelled the joint venture; and
    - HPX will not earn an interest in JV Company
- Any HPX funding in Phase 1 in excess of C$6,000,000 will be credited to HPX's funding commitments in Phase 2 (assuming HPX elects to advance the project to Phase 2)

Phase 2

- HPX would fund C$10,500,000 of exploration work on the San Matias Project, to take place within 30 months of the completion of Phase 1 in order to earn a further 26% interest in the JV Company (resulting in an aggregate ownership interest of 51%)
- The Company cannot co-fund during Phase 2
- HPX would have option to advance the San Matias Project to Phase 3 at the conclusion of Phase 2
- Any HPX funding in Phase 2 in excess of C$10,500,000 will be credited to HPX's funding commitments in Phase 3 (assuming HPX elects to advance the project to Phase 3)
- At any time after the completion of Phase 2, in the event that HPX elects to sell or transfer its entire shareholder interest in JV Company to a third party, (i) HPX would have a drag-along right in respect of the Company's interest in the JV Company; and (ii) the Company would have a tag-along right with respect to any such sale

Phase 3

- HPX would fund a National Instrument 43-101 compliant feasibility study at the San Matias Project, to take place within 36 months of the end of Phase 2 in order to earn a further 14% interest in the JV Company (resulting in an aggregate ownership interest of 65%)
- The Company cannot co-fund during Phase 3

Following Phases 1 to 3 above, each party will contribute to all JV Company expenditures in proportion to its then ownership interest in the JV Company, failing which any non-contributing party will be diluted on a pro rata basis. Each party will at all times have a right of first refusal to acquire the other party's interest in the JV Company. If either the Company's or HPX's interest in the San Matias Project is diluted below 5%, it will automatically be converted to a 1.5% Net Smelter Royalty interest.

The Alacran property falls within the joint venture area of interest and forms part of the joint venture. As of the date of this report, HPX has completed the funding for the Initial Option Period. The parties have entered Phase One of the Joint Venture Agreement whereby HPX can earn a 25% interest in the San Matias Project in Colombia by spending an additional $6 million.

In April 2016, HPX acquired a direct 50.1% interest in OMNI through the purchase of shares from existing OMNI shareholders for approximately US$3.3 million to simplify the shareholder structure of OMNI. The purchase price will contribute to the HPX earn-in under Phase One of the JV Agreement.

Private Placement

On June 16, 2015, the Company closed a private placement with HPX, where HPX purchased 7,300,000 Units ("Units") of Cordoba at $0.14 per Unit, resulting in total proceeds to Cordoba of $1,022,000 (the "June 2015 Private Placement"). Each Unit consists of one common share of Cordoba and one fully-vested, three-year Cordoba common share purchase warrant (each a "Warrant") with an exercise price of $0.20 per share. As of the date of this report, HPX has fully exercised the Warrants, providing Cordoba with proceeds of $1,460,000.

On November 17, 2015, the Company closed a private placement (the "November 2015 Private Placement") pursuant to which it issued an aggregate of 13,333,333 common shares at a price of $0.12 per share, resulting in total gross proceeds to Cordoba of C$1,600,000. All securities issued in connection with the November 2015 Private Placement are subject to a statutory hold period expiring on March 17, 2016. High Power Exploration Inc. purchased an aggregate of 10,770,833 common shares in the November 2015 Private Placement, while other insiders of the Company purchased an additional 687,834 common shares.

The net proceeds of the November 2015 Private Placement will be used by the Company to help finance its Alacran exploration program in Colombia and for general working capital purposes.

Board of Directors

On September 10, 2015, the Company announced the appointment of Mr. Ignacio Rosado and Ms. Beatriz Uribe to its Board of Directors.

Mr. Rosado is Chief Executive Officer (CEO) of Volcan Compañia Minera S.A.A, one of the world's largest producers of silver, zinc and lead with its shares publicly traded on the Peruvian stock exchange. Mr. Rosado was the former Chief Financial Officer (CFO) of Hochschild Mining plc, leading the company's US$500 million initial public offering on the London Stock Exchange in 2006. Mr. Rosado holds an MBA from the University of Michigan Business School and a B.Sc. in Economics from the Universidad del Pacifico in Peru.

Mrs. Uribe is the former CEO (1999 to 2015) of Mineros S.A., Colombia's largest publicly traded gold mining company, overseeing production growth from 75,000 ounces to approximately 200,000 ounces of gold annually. The company has operations in the department of Antioquia, Colombia, as well as in Nicaragua. Mrs. Uribe is an Economist from the Universidad de Antioquia, Colombia.

On September 10, 2015, the Company also announced the resignation of Mr. Ari Sussman as the Company's Chairman of the Board and a Director so that Mr. Sussman can focus on developing Continental Gold's Inc.'s Buriticá Project. Mr. David Reading has been appointed the interim Chairman post Mr. Sussman's resignation.

On June 30, 2015, Mr. Eric Finlayson, President of HPX, joined the Company's Board of Directors. Mr. Finlayson is a geologist with over thirty years of global exploration experience and was the Global Head of Exploration for Rio Tinto from 2007 to 2011.

On June 30, 2015, Mr. Robert Neil stepped down from the Company's Board of Directors.

Annual General Meeting

On June 30, 2015, the Company held its annual general meeting ("AGM"). A total of 26,779,343 common shares representing 45.53% of Cordoba's issued and outstanding common shares were voted at the AGM. The Company's shareholders voted in favour of the election of all director nominees listed in the Company's management information proxy circular. The directors were elected to hold offices until the next annual meeting of shareholders or until their successors are elected or appointed. Shareholders also voted in favour of all items of business put forth at the meeting: to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants as auditors of the Company; to approve the Company's stock option plan; and to approve to amend the Articles of the Corporation to adopt an advance notice requirement for the nomination of Company Directors.

The Company will be holding its 2016 AGM on May 31, 2016. The associated meeting notice has been filed on sedar.com.

EXPLORATION UPDATE

Current exploration work at the San Matias Project has focused on the Alacran target where diamond drilling is ongoing along with a detailed geophysical program including ground magnetics and Typhoon IP (induced polarization) and EM (electromagnetics) surveys. Additionally, soil sampling and detailed geological mapping programs have been undertaken at Alacran.

A large-scale Typhoon IP survey has also been completed over an area of approximately 6 square kilometers covering the Montiel prospects.

Cordoba and HPX are jointly planning the next phase of the exploration program at the San Matias Project. Current plans include an expansion of the Typhoon survey and follow-on drilling at Alacran and additional high priority targets defined by Typhon IP and detailed airborne magnetic surveys.

The Alacran Copper-Gold System

The Alacran copper-gold system is located within the Company's San Matias Copper-Gold Project in the Department of Cordoba, Colombia. The Alacran system is located on a topographic high in gently rolling topography, optimal for potential open-pit mining. Access and infrastructure are good. Alacran is approximately two kilometres southwest of the Montiel porphyry copper-gold discovery, where recent drilling interested **101 metres of 1.0% copper and 0.65 g/t gold**, and two kilometres northwest of the Costa Azul porphyry copper-gold discovery, where recent drilling interested **87 metres of 0.62% copper and 0.51 g/t gold** (Fig. 1). The copper-gold mineralization at Alacran is associated with stratabound replacement of a marine volcano-sedimentary sequence in the core of a faulted antiformal fold structure. The deposit comprises moderately to steeply-dipping stratigraphy that is mineralized as a series of sub-parallel replacement-style or skarn zones and associated disseminations (Fig. 2). The copper-gold mineralization is composed of multiple overprinting hydrothermal events with the main ore phase comprised of chalcopyrite-pyrrhotite-pyrite that appears to overprint a large-scale early magnetite metasomatic event.

High temperature potassic feldspar-biotite-amphibole-albite alteration in the host geological sequence, indicates that the copper-gold mineralization is proximal to a source intrusion. At least two intrusive phases, locally occurring as sills, confirm an intrusive source for the mineralizing fluids. The overall size and complexity of the hydrothermal system indicates a significant mineralization event. Mineralization occurs within all members of the sedimentary and volcanic sequence, where it can be traced over a strike length of greater than 1,300 metres and local thickness of more than 90 metres true-width from the current drilling and surface sampling (Fig. 3).

Alacran Exploration

The Company commenced its preliminary 3,000-metre diamond drilling program in November 2015. Drilling at the Alacran property has confirmed a high-grade and shallow copper-gold discovery. The initial six drill holes all contain significant intercepts of copper and gold mineralization, often from near surface. Drilling also has demonstrated similar visual copper-sulphide mineralization in an additional four holes. Drilling to date at Alacran covers 270 metres of strike length at the northern end of a 1,300-metre defined mineralized trend. The mineralized trend remains open in all directions and at depth.

Alacran drilling highlights (refer to Table 1):

- ASA051: **111 metres @ 1.01% copper and 0.38 g/t gold (1.32% CuEq)**
- ACD006A: **109 metres @ 0.95% copper and 0.35 g/t gold (1.24% CuEq)**
- ACD001: **108 metres @ 0.94% copper and 0.37 g/t gold (1.24% CuEq)**
- ACD005: **29 metres @ 2.72% copper and 1.16 g/t gold (3.66% CuEq)**
- ACD002: **80 metres @ 0.75% copper and 0.31 g/t gold (1.0% CuEq)**

In addition to the ongoing diamond drilling program, extensive soil sampling and detailed geological mapping programs are underway to further define the extent of copper-gold mineralization at Alacran and to determine if additional mineralized zones exist. The hydrothermal alteration halo associated with the known mineralization is of kilometre-scale dimensions, indicating the potential for a substantial mineralized zone and the high probability of additional mineralized areas. A Typhoon IP and EM survey has also been completed over the northern parts of Alacran and data is currently being interpreted.

Typhoon IP and EM Program

Typhoon is a proprietary deep IP technology developed by HPX that generates high signal-to-noise ratios enabling accurate inversions to identify prospective targets.

To date, a Typhoon IP and EM survey has been completed over the northern parts of Alacran, where the current diamond drilling program has been focused. The Typhoon IP has also been completed over an area of approximately 6 square kilometres covering the Montiel prospects and immediate surrounding areas. The Typhoon program will be expanded north and south of the currently surveyed areas as the trends and targets remain open. The final 3D inversion of the Typhoon geophysical survey is being completed and will be released when available.

Ground Magnetics Program

The ground magnetics campaign over the Alacran project has commenced and over 30 line kilometres of magnetics data has been collected over the northern parts of the project area and is ongoing.

Surface Sampling

Soil sampling has commenced and is ongoing over the Alacran project with over 200 soil samples having been collected in the northern parts of the project area. The program is intended to cover the entire project area.

Detailed Geological Mapping Campaign

Geological mapping is ongoing over the Alacran project area in conjunction with the ongoing diamond drilling program to geologically model the project in 3 dimensions to aid upcoming drill targeting.

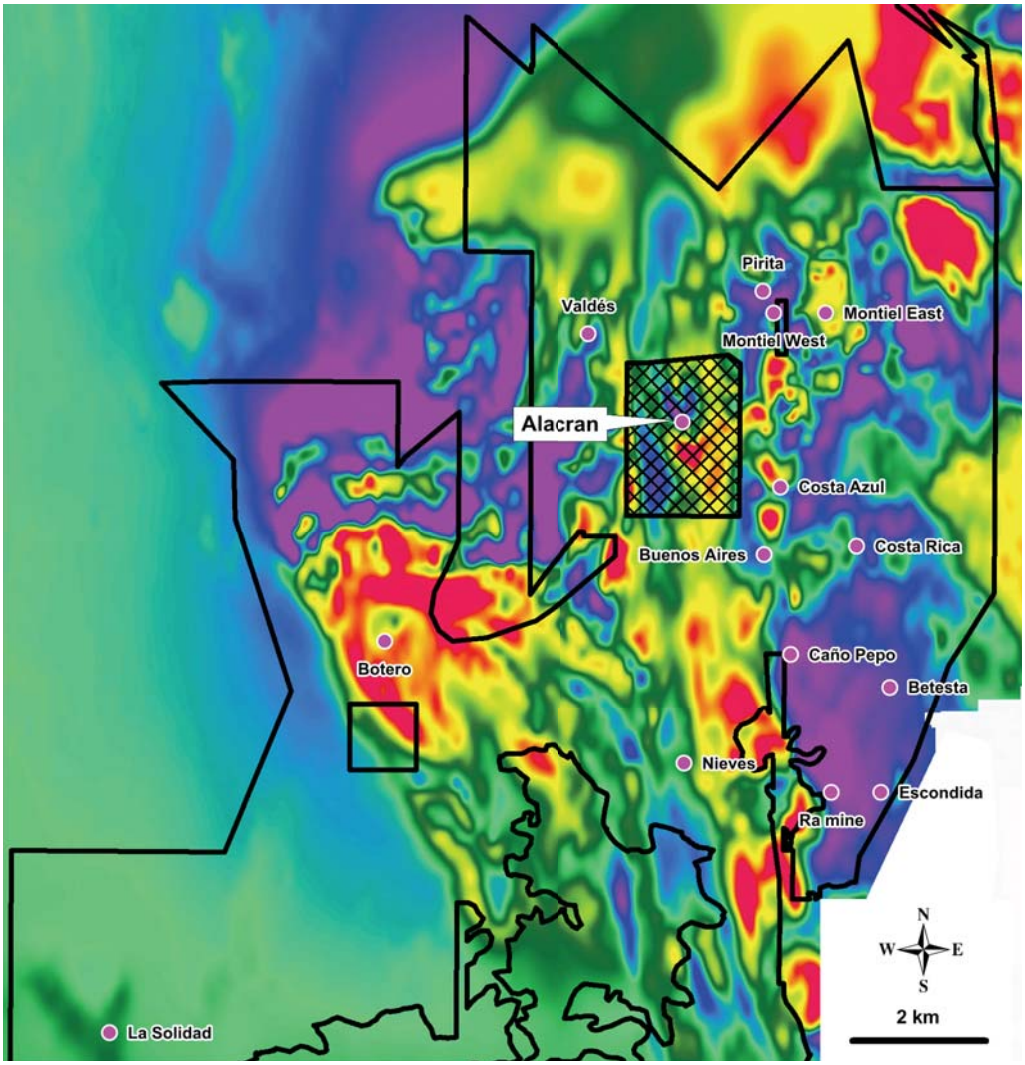


Figure 1. Locations of the Alacran copper-gold deposit and associated title (hatched) within the San Matias Project of Cordoba Minerals on airborne RTP magnetics.

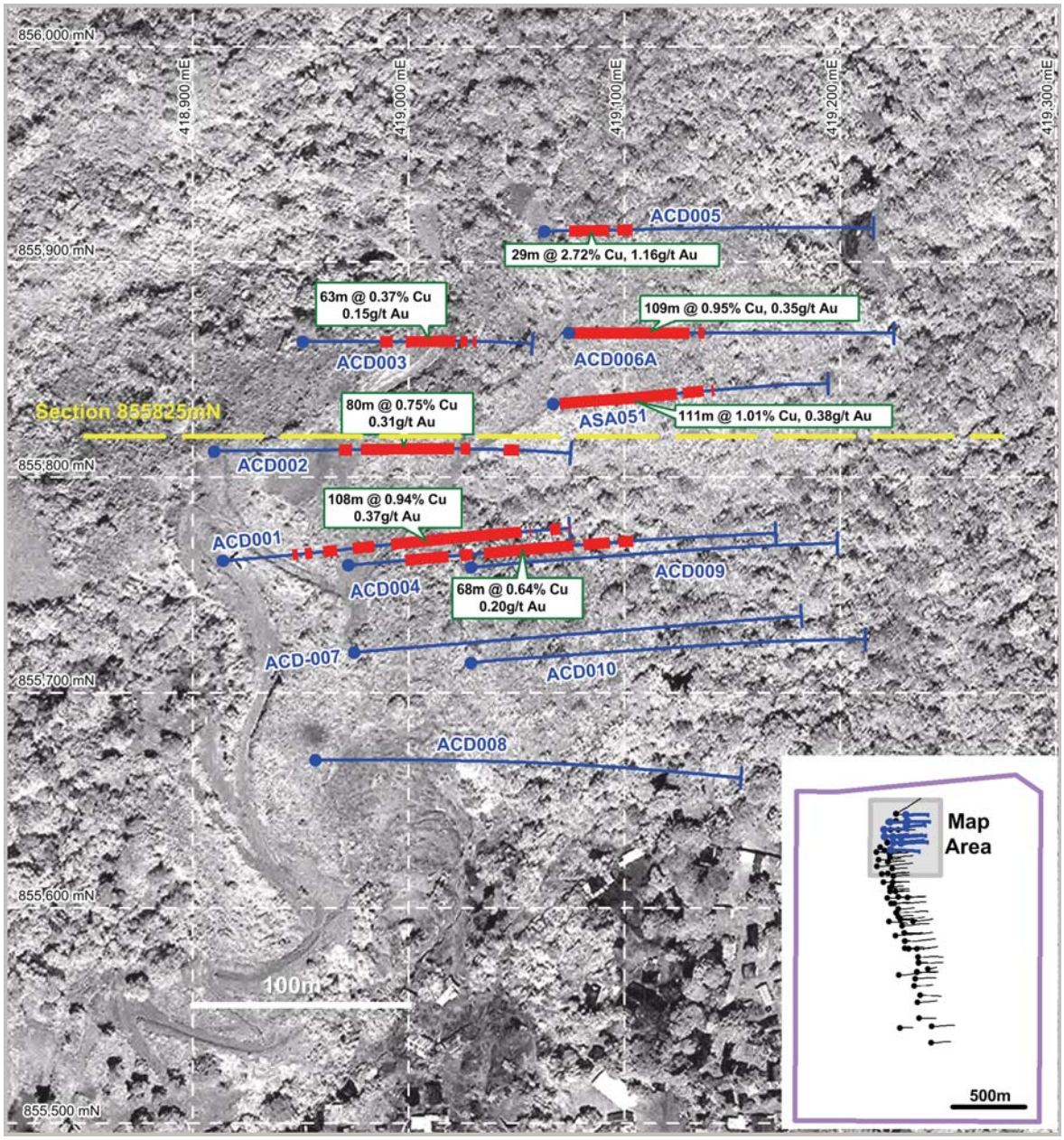


Figure 2. Drillplan of the northern extents of the Alacran project showing the drill hole locations, mineralized intervals and location of section 855810mN.

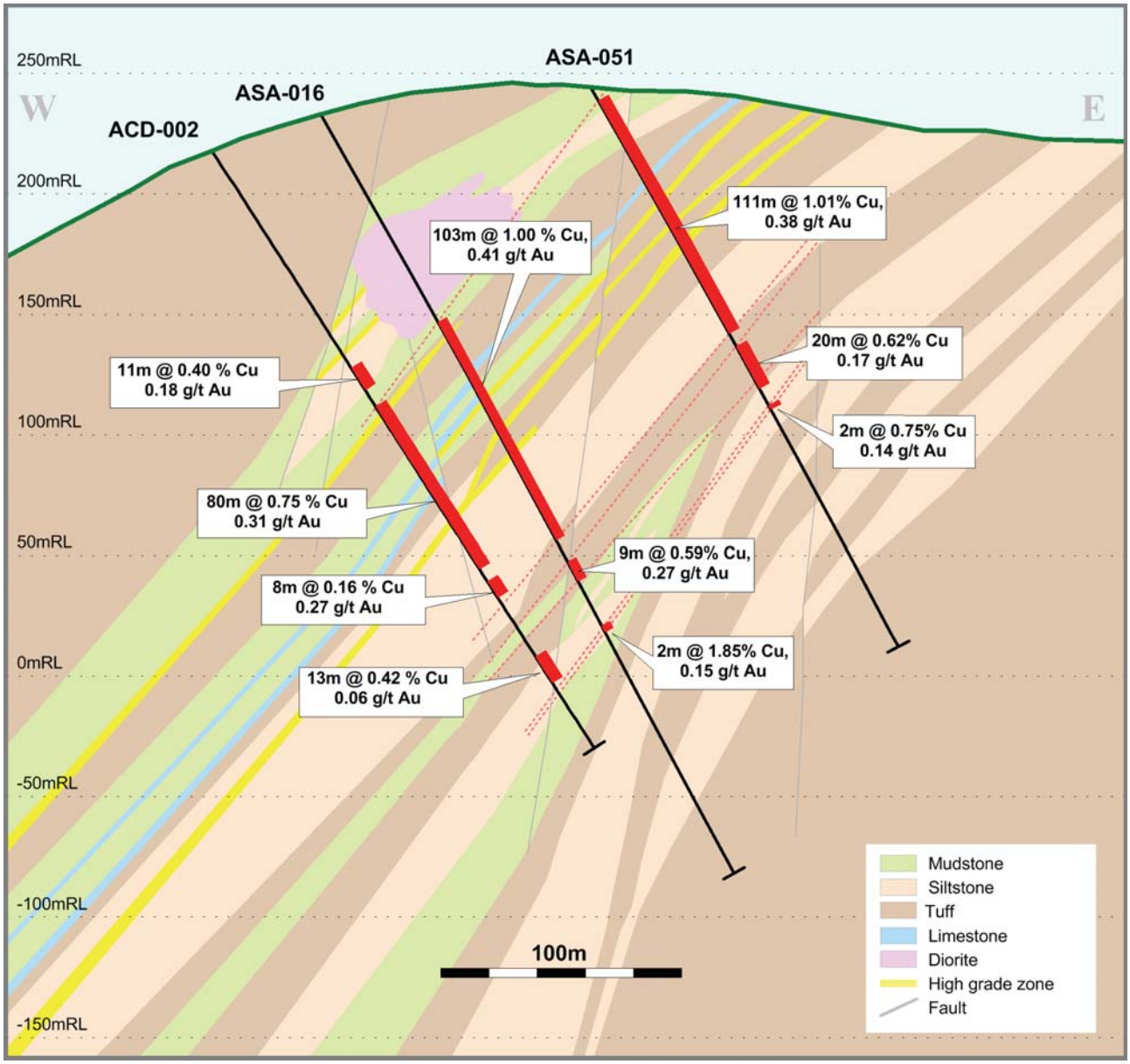


Figure 3. Section 855810mN displaying consistent large widths of copper and gold mineralization between drillholes on section that extend to surface and remains open down dip.

Table 1: Initial diamond drill hole results at the Alacran project*

Drill-hole	From (m)	To (m)	Interval** (m)	Copper (%)	Gold (g/t)
ASA-051	**6**	**117**	**111**	**1.01**	**0.38**
	123	143	20	0.62	0.17
	151	153	2	0.75	0.14
ACD-001	53	57	4	0.43	0.25
	63	68	5	0.35	0.12
	77	88	11	0.72	0.02
	101	118	17	0.36	0.10
	132	**240**	**108**	**0.94**	**0.37**
	247	248	1	0.79	0.36
	264	272	8	0.48	0.07
	279	280	1	0.91	0.09
ACD-002	107	118	11	0.40	0.18
	126	**206**	**80**	**0.75**	**0.31**
	212	220	8	0.16	0.27
	249	262	13	0.42	0.06
ACD-003	98	113	15	0.65	0.29
	130	**193**	**63**	**0.37**	**0.15**
	200	209	9	0.25	0.04
	216	220	3	0.28	0.28
ACD-004	**42**	**74**	**32**	**0.62**	**0.12**
	83	92	9	0.62	0.22
	101	**169**	**68**	**0.64**	**0.20**
	177	**197**	**20**	**0.69**	**0.24**
	204	215	11	0.55	0.21
ACD-005	**18**	**47**	**29**	**2.72**	**1.16**
	53	64	11	0.36	0.35
ACD-006A	**2**	**111**	**109**	**0.95**	**0.35**
	120	125	5	0.33	0.04

True width intervals of the mineralisation are interpreted as being between 90-100% true widths from oriented diamond drillcore and sectional interpretation

****Intercepts calculated at 0.35% CuEq cut-off with maximum internal dilution of 5m***

Qualified Person: Christian J. Grainger, PhD, a Qualified Person for the purpose of NI 43-101, has approved the disclosure of the technical information in this MD&A. Dr. Grainger is a geologist with +15 years in the minerals mining, consulting, exploration and research industries. He is a Member of the Australian Institute of Geoscientists and Australian Institute of Mining and Metallurgy.

SELECTED ANNUAL INFORMATION

The following table provides information for the year ended December 31, 2015, eight month period ended December 31, 2014 and the year ended April 30, 2014:

	December 31, 2015	December 31, 2014*	April 30, 2014
Exploration and evaluation expenditures	**$ 3,178,039**	$ 3,699,463	$ 1,699,320
Other operating expenses	**1,665,637**	2,521,554	693,620
Net loss	**4,918,035**	6,205,959	3,840,823
Loss per share - basic and fully diluted	**0.08**	0.11	0.21
Total assets	**48,068,220**	49,623,371	55,379,952
Total liabilities	**836,195**	346,409	1,091,563
Shareholders' equity	**47,232,025**	49,276,962	54,288,389

*Effective May 1, 2014, the Company changed its fiscal year end from April 30 to December 31, resulting in an eight-month transition year ended December 31, 2014.

- Exploration and evaluation expenditures for the periods presented were all incurred in Colombia. The exploration and evaluation expenditures were higher for the year and period ended December 31, 2015 and 2014 due to the execution of the Company's 2015/2016 and 2014 exploration programs. The Company's 2015/2016 exploration program consists of detailed ground magnetics, deep Typhoon IP geophysical survey, and a 3,000-metre diamond drilling campaign mainly on the recently optioned Alacran property. The 2014 exploration program incorporated trenching, sampling, as well as RAB and diamond drilling on previously identified targets at Costa Azul and Montiel East.
- Other operating expenses for the year ended December 31, 2015 decreased from the eight month period ended December 31, 2014 mainly due to higher share-based payments recorded in 2014 of $1.4 million compared to $0.4 million in 2015. The increase in operating expenses from the year ended April 30, 2014 is mainly due to the share-based payment charge as well as the increase in corporate administrative costs resulted from increased corporate activities since the March 28, 2014 Acquisition.
- The decrease in total assets and shareholders' equity from April 30, 2014 to December 31, 2015 is mainly attributable to the use of cash resources to fund the Company's exploration and evaluation expenditures and administrative expenses for the period. As the Company is in the exploration stage, it does not generate operating revenue.

SELECTED QUARTERLY INFORMATION

The following table provides information for the eight fiscal quarters ended December 31, 2015:

	31-Dec-2015	30-Sep-2015	30-Jun-2015	31-Mar-2015
Exploration and evaluation expenditures	$ 1,502,393	$ 536,415	$ 610,615	$ 528,616
Other operating expenses	642,861	236,253	488,463	298,060
Net loss	2,148,319	869,177	1,089,467	811,072
Loss per share - basic and fully diluted	0.03	0.01	0.02	0.01
Total assets	48,068,220	47,717,684	48,771,189	48,688,609
Total liabilities	836,195	245,478	287,738	180,992
Shareholders' equity	47,232,025	47,472,206	48,483,451	48,507,617

	31-Dec-2014*	31-Oct-2014	31-Jul-2014	30-Apr-2014
Exploration and evaluation expenditures	$ 853,124	$ 1,607,453	$ 1,238,886	$ 547,244
Other operating expenses	290,274	487,318	1,743,962	243,132
Net loss	1,155,648	1,887,240	3,163,071	2,271,028
Loss per share - basic and fully diluted	0.02	0.03	0.05	0.07
Total assets	49,623,371	50,808,784	53,032,020	55,379,952
Total liabilities	346,409	330,776	456,043	1,091,563
Shareholders' equity	49,276,962	50,478,008	52,575,977	54,288,389

* Effective May 1, 2014, the Company changed its fiscal year end from April 30 to December 31, resulting in an eight-month transition year ended December 31, 2014. The final quarter in fiscal 2014 consists of two months ended December 31, 2014.

- Exploration and evaluation expenditures for the eight quarters presented were all incurred in Colombia. The exploration and evaluation expenditures were higher during the quarters ended July 31 and October 31, 2014 due to the execution of the Company's 2014 exploration program, which concluded in the fourth quarter of 2014. The Company's 2015/2016 exploration program commenced in the three month period ended December 31, 2015, which resulted in the higher exploration and evaluation expenditures for the quarter. The Company's 2015/2016 exploration program consists of detailed ground magnetics, deep Typhoon IP geophysical survey, and a 3,000-metre diamond drilling campaign mainly on the recently optioned Alacran property.

- Other operating expenses consist of corporate, general and administrative costs incurred by the corporate office in Toronto, non-cash share-based payments and amortization. The increase in other operating expenses for the period ended December 31, 2015 is mainly due to a share-based payment charge of $218,021 representing the expensing of fair value of stock options vested during the period as well as higher professional fees associated with increased corporate activities.

  The increase in other operating expenses for the quarters ended July 31, 2014 and June 30, 2015 is mainly due to share-based payments of $1,383,750 and $150,833 respectively, charged during those quarters. Besides share-based payments charge, other operating expenses have remained relatively consistent over the periods presented.

- The decrease in total assets and shareholders' equity from April 30, 2014 to December 31, 2015 is mainly attributable to the use of cash resources to fund the Company's exploration and evaluation expenditures and administrative expenses for the period. As the Company is in the exploration stage, it does not generate operating revenue.

RESULTS OF OPERATIONS

	Three months ended December 31, 2015	Two months ended December 31, 2014
Exploration and evaluation expenditures	**$ 1,502,393**	$ 853,124
Corporate administration	**408,185**	279,527
Share-based payments	**218,021**	-
Amortization	**16,655**	10,747
Interest and other income	**(13,576)**	(14,377)
Foreign exchange gain	**(9,526)**	(28,318)
Write-off of property, plant and equipment	**26,167**	-
Write-off of exploration and evaluation assets	**-**	54,945
Write-off of due from related parties	**-**	-
Net loss for the period	**$ 2,148,319**	$ 1,155,648

	Twelve months ended December 31, 2015	Eight months ended December 31, 2014
Exploration and evaluation expenditures	**$ 3,178,039**	$ 3,699,463
Corporate administration	**1,223,512**	1,091,238
Share-based payments	**368,854**	1,383,750
Amortization	**73,271**	46,566
Interest and other income	**(34,210)**	(67,985)
Foreign exchange gain	**(20,631)**	(142,343)
Write-off of property, plant and equipment	**26,167**	22,131
Write-off of exploration and evaluation assets	**-**	54,945
Write-off of due from related parties	**103,033**	118,194
Net loss for the year/period	**$ 4,918,035**	$ 6,205,959

- Exploration and evaluation expenditures increased for the three months ended December 31, 2015 compared to the comparable period ended December 31, 2014 mainly due to the commencement of the Company's 2015/2016 exploration program in the fourth quarter of 2015.

  The exploration and evaluation expenditures decreased for the year ended December 31, 2015 compared to same period last year due to the completion of the Company's 2014 exploration program in the eight month period ended December 31, 2014.

  The most significant exploration costs for the year ended December 31, 2015 were $242,000 for drilling, $217,000 for field costs, $804,000 for salaries and benefits, $188,000 for ground magnetics, $314,000 for IP Typhoon survey, $327,000 for compliance and regulatory, and $335,000 for environmental and social activities.

- Corporate administration for the three and twelve months ended December 31, 2015 increased from the comparable periods ended December 31, 2014 mainly due to shorter reporting periods of two and eight months respectively in 2014.

- Share-based payments increased for the three month period ended December 31, 2015 compared to the comparable period last year mainly due to the options granted in 2015 are subject to graded vesting, as a result, their associated fair value is amortized over the 18 month vesting period.

  For the year ended December 31, 2015, share-based payments decreased from the comparable period last year mainly due to lower fair value assigned to stock options granted during the year. Also, the options granted in 2015 has graded vesting over 18 months and are therefore, expensed over the vesting period, whereas the options granted in 2014 vested immediately, thus 100% of the fair value were expensed upon grant, resulting in higher share-based payment reported in the period of grant.

  For purpose of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model.

- Interest income is a function of the cash balance on hand. For the three and twelve month periods ended December 31, 2015, interest income decreased compared to the comparable periods ended December 31, 2014 due to a lower average cash balance.

- For the three and twelve months ended December 31, 2015, the Company recorded a $26,167 write-down of property, plant and equipment representing the write-off of the net book value of equipment retired or donated to community during the period.

  For the eight month period ended December 31, 2014, the Company recorded a $22,131 write-down of property, plant and equipment representing the write-off of the net book value of shared property, plant and equipment allocated by Gold Group Management Inc. ("Gold Group") to the Company. The Company has moved its corporate functions to Toronto in May 2014, therefore, no longer shares the facilities with Gold Group.

- For the two and eight month period ended December 31, 2014, the Company recorded an impairment charge of $54,945 representing the carrying value of capitalized exploration expenditure attributed to the Guadalajara project in Colombia. Management determined that based on the results of exploration activity completed during the period, the carrying amount of the expenditure carried forward as an asset will not be fully recoverable and that further exploration and evaluation activities in the area is neither budgeted nor planned.

- During the year ended December 31, 2015, the Company wrote-off $103,033 due from Proyecto Coco Hondo S.A.S, a company controlled by a director of the Company, as the balance is deemed uncollectible.

- During the eight months ended December 31, 2014, the Company wrote off the amount due from Thunderbolt Resources Inc. of $118,194 as the amount is deemed unrecoverable from the related party.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2015, the Company had current assets totaling $2.1 million (including cash and cash equivalents of $1.9 million) and current liabilities totaling $0.8 million, resulting in a working capital of $1.3 million. The Company is in the exploration stage and therefore, has no cash flow from operations.

Funds raised from previous financing are being used towards continued exploration of the San Matias Project and for general working capital purposes. The Company expects its current capital resources to be sufficient to cover its planned 2016 activities. Actual funding requirements may vary from those planned due to a number of factors, including the progress of the Company's business activities and current economic and financial market conditions. The Company will continue to pursue opportunities to raise additional capital through equity markets to fund its 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.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

PROPOSED TRANSACTIONS

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

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 of	December 31, 2015	December 31, 2014
Cash held in bank accounts	**$ 319,275**	$ 308,517
Term deposits	**1,551,917**	3,370,637
	$ 1,871,192	$ 3,679,154

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 December 31, 2015, the Company had cash and cash equivalents of $1.9 million (December 31, 2014 - $3.7 million) available to apply against short-term business requirements and current liabilities of $0.8 million (December 31, 2014 - $0.3 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.

As at December 31, 2015, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	December 31, 2015		**December 31, 2014**	
	US Dollars (CDN equivalent)	**Colombian Pesos** (CDN equivalent)	**US Dollars** (CDN equivalent)	**Colombian Pesos** (CDN equivalent)
Cash	**$ 106**	**$ 280,182**	$ 148	$ 271,444
Other receivables	**-**	**19,842**	-	189,169
Due from related parties	**-**	**-**	-	103,033
Value added tax receivable	**-**	**241,749**	-	-
Accounts payable and accrued liabilities	**-**	**(254,435)**	-	(156,841)
Due to related parties	**(29,712)**	**(353,757)**	(24,905)	(5,981)
	$ (29,606)	**$ (66,419)**	$ (24,757)	$ 400,824

Based on the above net exposures at December 31, 2015, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an increase or decrease of approximately $9,600 (December 31, 2014 - $37,600) 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 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 December 31, 2015 and December 31, 2014, the Company's financial instruments are comprised of cash and cash equivalents, other receivables, due from related parties, value added tax receivable, 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.

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. The Company defines its capital as all components of equity and short-term debt. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The property in which the Company currently has an interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and to pay for general administrative costs, the Company will spend its existing working capital and seek to raise additional amounts as needed by way of equity financing or debt. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company expects its current capital resources to be sufficient to cover its operating costs and to carry out its exploration activities through the next twelve months. As such, the Company will seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto. There have been no changes to the Company's approach to capital management during the year ended December 31, 2015.

RELATED PARTY TRANSACTIONS

The Company had transactions during the year ended December 31, 2015 and the eight month period ended December 31, 2014 with related parties consisted of directors, officers and the following companies with common directors and/or officers:

During the year ended December 31, 2015, the Company incurred $Nil (period ended December 31, 2014 - $211,000) in corporate administration costs to Gold Group Management Inc. ("Gold Group"), a company controlled by a former director of the Company, consisting of salaries and benefits, office, other general administrative costs and a one-time service termination fee. Gold Group was reimbursed by the Company for these shared costs and other business related expenses paid by Gold Group on behalf of the Company. The service agreement was terminated on August 31, 2014.

During the year ended December 31, 2015, the Company incurred $353,190 (period ended December 31, 2014 - $Nil) in exploration and evaluation expenditures to HPX, a company that has significant influence over Cordoba. The costs incurred consist of technical and managerial services provided for the Company's exploration projects in Colombia.

During the period ended December 31, 2014, the Company wrote off $118,194 due from Thunderbolt Resources Inc., a company with common directors and officers, as the amount is deemed unrecoverable from the related party.

During the year ended December 31, 2015, the Company wrote off $103,033 due from Proyecto Coco Hondo S.A.S, a company controlled by a director of the Company, as the amount is deemed unrecoverable from the related party.

Amount due to related parties as of December 31, 2015 consists of $30,279 (December 31, 2014 - $30,886) due to Continental Gold Limited, a company with a former common director and $353,190 (December 31, 2014 - $Nil) due to HPX, a company that has significant influence over Cordoba. 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 year and period ended December 31, 2015 and 2014, key management compensation comprises:

	From January 1, 2015 to December 31, 2015	**From May 1, 2014 to December 31, 2014**
Salaries and benefits	**825,000**	358,333
Share-based payments	**486,250**	1,143,750
	$ 1,311,250	$ 1,502,083

SHARE POSITION AND OUTSTANDING WARRANTS AND OPTIONS

The Company's outstanding share position as at April 18, 2016 is as follows:

	Number of shares
Common shares	86,745,436
Warrants	15,150,294
Stock options	5,358,865
Fully diluted share capital - April 18, 2016	**107,254,595**

Common Shares

The Company is authorized to issue an unlimited number of common shares without par value. In May 2014, the shareholders of the Company approved a consolidation of the issued shares, stock options, warrants and compensation options outstanding at May 22, 2014 on a one new for two old basis. As a result, the Company's issued shares were reduced to 58,812,103.

On June 16, 2015, the Company closed a private placement with High Power Exploration Inc., where HPX purchased 7,300,000 Units ("Units") of Cordoba at $0.14 per Unit, resulting in total proceeds to Cordoba of $1,022,000. Each Unit consists of one common share of Cordoba and one fully-vested, three-year Cordoba common share purchase warrant (each a "Warrant") with an exercise price of $0.20 per share.

On November 16, 2015, the Company closed a private placement (the "Private Placement") pursuant to which it issued an aggregate of 13,333,333 common shares at a price of $0.12 per share, resulting in total gross proceeds to Cordoba of C$1,600,000. All securities issued in connection with the Private Placement are subject to a statutory hold period expiring on March 17, 2016. High Power Exploration Inc., a private mineral exploration company indirectly controlled by mining entrepreneur Robert Friedland, purchased an aggregate of 10,770,833 common shares in the Private Placement, while other insiders of the Company purchased an additional 687,834 common shares.

Share Purchase Warrants

Details of share purchase warrants outstanding as of December 31, 2015 are:

	Number of warrants	Weighted average exercise price
Balance, on December 31, 2014	17,758,438	$1.42
Issued	7,300,000	$0.20
Expired	(588,369)	$2.00
Balance, December 31, 2015	**24,470,069**	**$1.04**

Broker Compensation Options

As of December 31, 2015, the Company has no compensation options outstanding (December 31, 2014 – 656,400 options).

Stock 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 year ended December 31, 2015:

				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	187,500	-	-	(125,000)	62,500	62,500	-
3-28-14	3-17-16	$2.00	78,441	-	-	-	78,441	78,441	-
3-28-14	1-14-17	$1.06	35,048	-	-	(35,048)	-	-	-
3-28-14	10-9-17	$1.06	175,240	-	-	-	175,240	175,240	-
3-28-14	3-20-18	$1.42	105,145	-	-	(31,544)	73,601	73,601	-
3-28-14	7-30-18	$1.42	35,048	-	-	(17,524)	17,524	17,524	-
6-27-14	6-26-24	$0.80	1,820,000	-	-	(290,000)	1,530,000	1,530,000	-
5-26-15	5-26-25	$0.21	-	1,500,000	-	(100,000)	1,400,000	700,000	700,000
10-24-15	10-24-25	$0.13	-	450,000	-	-	450,000	112,500	337,500
11-24-15	11-24-25	$0.12	-	1,650,000	-	-	1,650,000	412,500	1,237,500
			2,436,422	**3,600,000**	**-**	**(599,116)**	**5,437,306**	**3,162,306**	**2,275,000**
Weighted ave. exercise price			**$ 0.91**	**$ 0.16**	**$ -**	**$ 0.81**	**$ 0.42**	**$ 0.62**	**$ 0.15**

OTHER DATA

Additional information related to the Company is available for viewing at www.sedar.com.

ADOPTION OF NEW AND AMENDED IFRS PRONOUCEMENTS

The Company has consistently applied the accounting policies and the significant judgments, estimates and assumptions set out in Notes 2, 3 and 5 of the Company's audited consolidated financial statements for the year ended December 31, 2015 to all the periods presented in these audited consolidated financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

The following revised standards and amendments, unless otherwise stated, are effective on or after January 1, 2016 with early adoption permitted and have not been applied in preparing these consolidated financial statements. Management has not yet considered the potential impact of their adoption and does not plan to adopt these standards early.

i) 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.

ii) 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, 2017 with early adoption permitted.

iii) 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.

   IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

iv) Amendments to IAS 16, *Property, Plant and Equipment* ("IAS 16") and IAS 38, *Intangible Assets* ("IAS 38") – Clarification of Acceptable Methods of Depreciation and Amortization.

   The amendments to IAS 16 and IAS 38 are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted.

There are no other IFRS or IFRS Interpretations Committee ("IFRIC") interpretations that are not yet effective that would be expected to have a material impact on the Company.

RISKS AND UNCERTAINTIES

Mineral Property Exploration and Mining Risks

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

Title to Mineral Property Risks

Certain of the Company's rights to the Guadalajara Project are subject to the terms of an option Agreement which requires the Company to make certain payments in order to obtain and secure a further interest in the property. If the Company may fail to, or may choose not to, make such payments, in which case it will

forfeit its interest in the property. Any failure by the Company to obtain or secure title to the property could have an adverse effect on the Company and the value of the Company's common shares.

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

Commodity Price Risk

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

Financing and Share Price Fluctuation Risks

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

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

Political, Economic and Currency Risks

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

The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in Colombian pesos and US dollars. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the Colombian peso or US dollar could have an adverse impact on the amount of exploration conducted.

Regulatory Risks

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

Insured and Uninsured Risks

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

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

Environmental and Social Risks

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

Competition

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