

LOS ANDES COPPER LTD.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE and SIX MONTHS ENDED MARCH 31, 2016 and 2015
UNAUDITED – PREPARED BY MANAGEMENT**

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE

The accompanying unaudited condensed interim financial statements of Los Andes Copper Ltd. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

LOS ANDES COPPER LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION - UNAUDITED**

(Expressed in Canadian Dollars)

	March 31, 2016 (\$)	September 30, 2015 (\$)
ASSETS		
Current		
Cash and cash equivalents (Note 9)	65,929	1,162,515
Trade and other receivables	5,296	4,858
Prepaid expenses and deposits	163,848	165,348
	235,073	1,332,721
Non-current assets		
Unproven mineral right interests (Notes 2 and 3)	71,832,522	70,321,925
Hydro-electric project water rights (Note 4)	8,250,000	8,250,000
Equipment	175	4,872
	80,317,770	79,909,518
LIABILITIES		
Current		
Trade and other payables (Note 6)	847,378	350,948
Borrowings (Note 7)	261,923	-
	1,109,301	350,948
Non-current liability		
Deferred income tax	5,338,981	5,338,981
	6,448,282	5,689,929
EQUITY		
Share capital (Note 5)	91,297,107	90,991,538
Equity reserve (Note 5)	2,430,054	2,404,891
Deficit	(17,550,318)	(17,156,665)
Accumulated other comprehensive loss	(2,455,822)	(2,171,082)
Equity attributable to the owners of the Company	73,721,021	74,068,682
Non-controlling interest	148,467	150,907
	73,869,488	74,219,589
	80,317,770	79,909,518

Nature and continuance of operations (Note 1)**Commitments and contingencies (Note 10)****Subsequent events (Note 11)**

On behalf of the Board:

"Klaus Zeitler"

Director

"Francisco Covarrubias"

Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

LOS ANDES COPPER LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE (LOSS) INCOME - UNAUDITED
 (Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	March 31,		March 31,	
	2016	2015	2016	2015
	(\$)	(\$)	(\$)	(\$)
EXPENSES				
General and Administrative				
Depreciation	2,482	2,374	5,169	5,351
Consulting, salaries and management fees (Note 6)	97,016	99,226	190,343	183,436
Office and administration	5,698	9,843	15,840	18,094
Professional fees (Note 6)	16,500	35,353	25,868	46,639
Shareholder communications	5,562	2,574	8,634	6,255
Share-based compensation (Note 5)	25,163	-	25,163	-
Transfer agent, filing and regulatory fees	14,146	25,247	21,821	33,775
	166,567	174,617	292,838	293,550
Hydro-electric Project				
Depreciation	36	34	75	68
Professional fees	18,007	18,764	29,708	68,110
Project supplies and expenses	32,457	6,214	39,256	14,358
Studies	30,203	28,015	59,356	49,674
	80,703	53,027	128,395	132,210
Loss before other items	(247,270)	(227,644)	(421,233)	(425,760)
OTHER ITEMS				
Foreign exchange gain (loss)	37,420	(52,834)	27,510	(86,289)
Gain on sale of minority interest	-	236,881	-	236,881
Gain on settlement of debt	-	46,462	-	46,462
Interest expense	(2,593)	(2,733)	(2,593)	(11,720)
Interest income	15	232	223	233
	34,842	228,008	25,140	185,567
(Loss) income before income taxes	(212,428)	364	(396,093)	(240,193)
Net (loss) income attributable to:				
Owners of the Company	(210,894)	364	(393,653)	(240,193)
Non-controlling interest	(1,534)	-	(2,440)	-
Net (loss) income for the period	(212,428)	364	(396,093)	(240,193)
Other comprehensive (loss) income				
Cumulative translation allowance	(307,307)	865,193	(284,740)	1,625,019
	(307,307)	865,193	(284,740)	1,625,019
(Loss) income and comprehensive (loss) income attributable to:				
Owners of the Company	(518,201)	865,557	(678,393)	1,384,826
Non-controlling interest	(1,534)	-	(2,440)	-
(Loss) income and comprehensive (loss) income	(519,735)	865,557	(680,833)	1,384,826
Basic and diluted (loss) earnings per share	-	-	-	-
Weighted average number of shares outstanding	218,058,136	207,122,650	217,625,512	203,740,866

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

LOS ANDES COPPER LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY - UNAUDITED
(Expressed in Canadian Dollars)

Common shares							
	No. of shares	Amount	Deficit	Equity Reserve	Accumulated Other Comprehensive Loss	Non- Controlling Interest	Shareholders' Equity
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance -							
October 1, 2014	200,432,599	87,419,489	(13,834,370)	2,320,854	(2,755,274)	-	73,150,699
Private placements (Note 5)	6,590,909	1,450,000	-	-	-	-	1,450,000
Shares for debt (Note 5)	2,966,306	652,587	-	-	-	-	652,587
Net loss	-	-	(240,193)	-	-	-	(240,193)
Cumulative translation allowance	-	-	-	-	1,625,019	-	1,625,019
Balance -							
March 31, 2015	209,989,814	89,522,076	(14,074,563)	2,320,854	(1,130,255)	-	76,638,112
Private placements (Note 5)	6,018,545	1,324,080	-	-	-	-	1,324,080
Shares for debt (Note 5)	660,827	145,382	-	-	-	-	145,382
Share-based compensation (Note 5)	-	-	-	84,037	-	-	84,037
Sale of non-controlling interest (Note 4)	-	-	-	-	-	156,750	156,750
Net loss	-	-	(3,082,102)	-	-	(5,843)	(3,087,945)
Cumulative translation allowance	-	-	-	-	(1,040,827)	-	(1,040,827)
Balance -							
September 30, 2015	216,669,186	90,991,538	(17,156,665)	2,404,891	(2,171,082)	150,907	74,219,589
Balance -							
October 1, 2015	216,669,186	90,991,538	(17,156,665)	2,404,891	(2,171,082)	150,907	74,219,589
Private placements (Note 5)	1,388,950	305,569	-	-	-	-	305,569
Share-based compensation (Note 5)	-	-	-	25,163	-	-	25,163
Net loss	-	-	(393,653)	-	-	(2,440)	(396,093)
Cumulative translation allowance	-	-	-	-	(284,740)	-	(284,740)
Balance -							
March 31, 2016	218,058,136	91,297,107	(17,550,318)	2,430,054	(2,455,822)	148,467	73,869,488

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

LOS ANDES COPPER LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS - UNAUDITED
(Expressed in Canadian Dollars)

	Six months ended	
	March 31,	
	2016	2015
	(\$)	(\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(396,093)	(240,193)
Items not affecting cash:		
Depreciation	5,244	5,419
Share-based compensation	25,163	-
Deferred interest expense	2,593	-
Gain on settlement of debt	-	(46,462)
Change in non-cash working capital items:		
Trade and other receivables	(438)	(4,887)
Prepaid expenses and deposits	1,500	(115,516)
Trade and other payables	128,169	(233,021)
Net cash used in operating activities	(233,862)	(634,660)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares (Note 5)	305,569	1,450,000
Proceeds from borrowings (Note 7)	279,396.00	-
Net cash provided by financing activities	584,965	1,450,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Unproven mineral right interests	(1,550,200)	(422,624)
Equipment	-	(31,384)
Net cash used in investing activities	(1,550,200)	(454,008)
Change in cash for the period	(1,199,097)	361,332
Effect of exchange rate changes on cash	102,511	82,701
Cash and cash equivalents, beginning of period	1,162,515	15,853
Cash and cash equivalents, end of period	65,929	459,886

Supplemental cash flow information (Note 9)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

LOS ANDES COPPER LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2016

(Expressed in Canadian Dollars)

1. REPORTING ENTITY AND BASIS OF PRESENTATION

a) Reporting Entity

Los Andes Copper Ltd. ("Los Andes") is a company domiciled in Canada and its shares are listed on the TSX Venture Exchange ("TSX-V"). The Company's principal office is located at Suite 1950-400 Burrard Street, Vancouver, B.C. V6C 3A6, Canada. These condensed consolidated interim financial statements ("interim financial statements") of the Company as at and for the three and six months ended March 31, 2016 include the accounts of the Company and its subsidiaries.

The Company's principal business activities are the acquisition and exploration of mineral right interests and the development of a hydroelectric project in Chile.

b) Continuance of Operations

These financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS") applicable to a going concern, which assume that the Company will be able to continue in operation for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has made an assessment of its ability to continue as a going concern and is aware of several material adverse conditions as set out below that cast significant doubt on the validity of this assumption.

The Company is involved in the acquisition and exploration of mineral right interests and the development of a hydroelectric project in Chile. At March 31, 2016, the Company did not have a source of ongoing operating cash flow. Operations in recent years have been funded from the issuance of share capital.

Given its current stage of operations, the Company's ability to continue as a going concern is heavily contingent upon its ability to obtain additional financing. If the Company is unable to obtain additional financing in the future, the carrying value of the Company's assets could be subject to material adjustments.

These interim financial statements do not reflect adjustments to the carrying values of assets and liabilities which may be required should the Company be unable to continue as a going concern.

c) Statement of Compliance

These interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These interim financial statements do not include all the information required for a complete set of IFRS statements. However, selected notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended September 30, 2015.

These interim financial statements were authorized for issue by the board of directors of the Company on May 27, 2016.

d) Significant Accounting Policies

These interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the Company's most recent annual financial statements.

LOS ANDES COPPER LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2016

(Expressed in Canadian Dollars)

1. REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

e) Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those made by management in respect of the financial statements for the year ended September 30, 2015.

2. THE VIZCACHITAS PROPERTY

In 2007, the Company acquired all of the issued and outstanding shares of Vizcachitas Limited, a company that at that time directly and indirectly owned the following assets that comprised a majority interest in the claims making up the Vizcachitas Property (the "Initial Acquisition"):

1. 51% of the shares of Sociedad Legal Minera San José Uno de Lo Vicuña, El Tártaro y Piguchén de Putaendo ("San José SLM"), a Chilean Sociedad Legal Minera which is the owner of the San José mining concessions (the "SJ Concessions");
2. 30 mining rights (the "Mining Rights"), of which 27 were existing exploitation mining concessions encircling the SJ Concessions and 3 were exploration mining concessions in process of constitution (exploration claims); and
3. 5 additional exploitation mining concessions (the "Additional Concessions"), which also encircle the SJ Concessions, and were subject to an option agreement completed in 2010.

The SJ Concessions, the Mining Rights and the Additional Concessions are collectively referred to as the "Property".

All of the Property, with the exception of the SJ Concessions, is subject to NSR royalties of 2% on any surface production and 1% on any underground production. The SJ Concessions are subject to NSR royalties of 1.02% on surface mining and 0.51% on underground mining.

In 2010, the Company completed the consolidation of the Vizcachitas Property through the acquisition from Turnbrook Corporation ("TBC") of all of the issued and outstanding securities of Gemma Properties Group Limited, who indirectly owned 49% of the issued and outstanding shares of the San Jose SLM. With this transaction, the entire resource contained in the Vizcachitas property came under unified ownership.

In 2014, TBC and Turnbrook Mining Limited ("TBML") entered into a subscription agreement whereby TBC subscribed for common shares in the capital of TBML for consideration consisting of all of the common shares in the capital of the Company owned by TBC at that date. As at March 31, 2016, TBML owns a total of 113,136,144 or approximately 51.9% of the common shares of the Company (Notes 4 and 5). TBC is the controlling shareholder of TBML, and TBC no longer has direct ownership of any of the Company's common shares.

LOS ANDES COPPER LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED**

MARCH 31, 2016

(Expressed in Canadian Dollars)

3. UNPROVEN MINERAL RIGHT INTERESTS

As at March 31, 2016, the Company had the right to a total of 83 exploration concessions and 38 exploitation concessions located in Region V, Chile. Title to mining right interests 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 conveyancing history characteristic of many mining right interests. The Company has investigated title to all of its mineral right interests and, to the best of its knowledge, all of its mineral right interests are in good standing.

	Total costs to September 30, 2014	Costs incurred in year ended Sept. 30, 2015	Total costs to Sept. 30, 2015	Costs incurred in six months ended March 31, 2016	Total costs to March 31, 2016
VIZCACHITAS					
Acquisition costs	54,562,243	-	54,562,243	-	54,562,243
Water rights	4,122,611	-	4,122,611	-	4,122,611
VAT tax credits	1,491,600	121,142.00	1,612,742	259,009	1,871,751
Deferred exploration					
Automobile and travel	97,863	20,424	118,287	63,905	182,192
Assaying	139,658	-	139,658	44,747	184,405
Camp rehabilitation, maintenance and security	939,748	179,214	1,118,962	282,643	1,401,605
Core handling and storage	32,914	-	32,914	-	32,914
Drilling	3,477,236	-	3,477,236	533,143	4,010,379
Equipment and equipment rental	434,013	128	434,141	77,987	512,128
Exploration administration	1,299,153	262,152	1,561,305	233,539	1,794,844
Food and accommodation	180,525	7,489	188,014	45,837	233,851
Geological consulting	480,689	110,796	591,485	224,094	815,579
Other	66,957	-	66,957	5,291.00	72,248
Property & surface rights, taxes & tenure fees	872,748	119,996	992,744	117,921	1,110,665
Road repairs	34,105	-	34,105	-	34,105
Studies and other consulting	1,475,822	2,976	1,478,798	4,360	1,483,158
Subcontractors	1,269,366	-	1,269,366	-	1,269,366
Supplies	535,485	1,306	536,791	25,985	562,776
Sustainable development	29,501	-	29,501	-	29,501
	11,365,783	704,481	12,070,264	1,659,452	13,729,716
Exchange rate differences	(2,511,899)	465,964	(2,045,935)	(407,864)	(2,453,799)
	\$ 69,030,338	\$ 1,291,587	\$ 70,321,925	\$ 1,510,597	\$ 71,832,522

Included within unproven mineral right interests are:

- a) Water rights to a permanent, continuous and consumptive use of 250 liters per second flow from the Aconcagua River, located near the Vizcachitas Property, and
- b) VAT tax credits available in Chile, originating from deferred exploration expenses.

LOS ANDES COPPER LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2016

(Expressed in Canadian Dollars)

4. THE ROCIN RIVER HYDROELECTRIC PROJECT

In 2014, the Company acquired from TBML non-consumptive water rights over a section of the Rocin River, Putaendo, Fifth Region, Chile, together with the engineering and other studies and reports for the development of a hydroelectric facility (the "Hydroelectric Facility").

The Rocin River water rights and associated studies are indirectly held by the Company's subsidiary Rocin SPA ("Rocin"). In 2014, Rocin entered into an agreement (the "Agreement") with Icafal Inversiones S.A. ("Icafal") for the development and financing of the Hydroelectric Facility with an expected installed capacity of 28 to 30 MW on the Rocin River. Rocin in turn incorporated a subsidiary (the "Rocin Subsidiary") to own, develop, build and operate the Hydroelectric Facility. As of March 31, 2016, 1.90% of the issued and outstanding shares of the Rocin Subsidiary had been sold to an arms-length party for proceeds of US\$250,000.

Icafal is the investment subsidiary of Icafal S.A., one of the leading engineering and construction conglomerates in Chile. The main terms of the Agreement are:

1. Rocin agreed to incorporate the Rocin Subsidiary to own, develop, build and operate the Hydroelectric Facility and transfer its Rocin River water rights and associated studies to the Rocin Subsidiary;
2. Icafal agreed to make an investment of US\$7.5 million (the "Total Investment") in shares of the Rocin Subsidiary;
3. US\$2 million of the Total Investment is currently being used to finance the pre-construction development of the Hydroelectric Facility;
4. The remaining US\$5.5 million will be used to partially finance construction, and will be invested by Icafal once the Rocin Subsidiary has obtained all required permits and construction and other material contracts are in place;
5. Icafal will be entitled to a 36.3% interest in the Rocin Subsidiary after it has made the Total Investment;
6. The Rocin Subsidiary and Icafal have agreed to enter into a fixed price contract for the initial development of the Hydroelectric Facility.

5. EQUITY

Capital

a) Share capital

Authorized share capital consists of an unlimited number of common shares without par value.

On November 26, 2015, Los Andes closed the second tranche of a financing of \$305,569 in total proceeds from a non-brokered private placement. A total of 1,388,950 shares were issued at a price of \$0.22 per share, of which 1,333,950 shares were issued to TBML. The shares issued are subject to a hold period under applicable Canadian securities laws expiring on March 27, 2016.

On September 29, 2015, Los Andes closed the first tranche of a financing of \$1,469,462 in total proceeds, including \$1,324,080 in gross proceeds from a non-brokered private placement and \$145,382 pursuant to shares for debt settlement agreements with an insider shareholder and four directors of the Company. All shares were issued at a price of \$0.22 per share. A total of 6,018,545 shares were issued to TBML, in accordance with the terms of the private placement, and a total of 660,827 shares were issued to Zeitler Holdings Corp. ("ZHC", the management company of the Chairman of Los Andes) and four directors of Los Andes in full and final settlement of amounts owing to each of ZHC and the four directors. In accordance with the settlement agreements, \$60,332 of fees owing to the Los Andes directors and \$85,050 owing to ZHC were settled through the issue of the 660,827 settlement shares.

LOS ANDES COPPER LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2016

(Expressed in Canadian Dollars)

5. EQUITY (continued)

On January 27, 2015, Los Andes closed a financing of \$2,102,587 in total proceeds, including \$1,450,000 in gross proceeds from a non-brokered private placement and \$652,587 pursuant to shares for debt settlement agreements with two insider shareholders of the Company. All shares were issued at a price of \$0.22 per share. A total of 6,590,909 shares were issued to TBML, in accordance with the terms of the private placement, and a total of 2,966,306 shares were issued to TBML and ZHC in full and final settlement of amounts owing to each of TBML and ZHC. In accordance with the settlement agreements, \$608,487 of interest and principal owing to TBML pursuant to loans made in fiscal 2014 by TBML to Los Andes, and \$44,100 owing to ZHC were settled through the issue of the 2,966,306 settlement shares.

b) Equity reserve

Equity reserve consists of the accumulated fair value of common share options and share purchase warrants recognized as share-based payments and share purchase warrants issued on acquisitions of unproven mineral rights.

No options were granted in the six months ended March 31, 2016.

During the year ended September 30, 2015, the Company:

- Amended the vesting terms of 500,000 share options granted in June 2013 to a consultant company controlled by a current officer of the Company (Note 6). Prior to the amendment, 100,000 share options had vested and a further 150,000 share options vested as a result of the amended terms. The remaining 250,000 options vest in accordance with performance milestones set by the Company. 150,000 options vested in the three months ended March 31, 2016 and 100,000 remain unvested on this date. The share options have an exercise price of \$0.50 per share to June 1, 2018. The weighted average fair value of these options was estimated at \$0.1678 per option at the grant date based on the Black-Scholes option-pricing model.
- Granted an aggregate of 175,000 share options to an employee and to a consultant company controlled by an officer of the Company (Note 6). The options vested on grant and have an exercise price of \$0.50 per share to May 12, 2020. The weighted average fair value of these options was estimated at \$0.0796 per option at the grant date based on the Black-Scholes option-pricing model.
- Granted 750,000 share options to a consultant company controlled by a director of the Company (Note 6). The options vested on grant and have an exercise price of \$0.50 per share to September 1, 2020. The weighted average fair value of these options was estimated at \$0.0599 per option at the grant date based on the Black-Scholes option-pricing model.

The assumptions used by the Company to price share options vested in the year ended September 30, 2015 were the following:

• Weighted average share price:	\$0.50
• Weighted average exercise price:	\$0.50
• Dividend yield:	0%
• Weighted average risk-free interest rate:	0.90%
• Pre-vest forfeiture rate:	0%
• Expected life (years):	5 years
• Weighted average expected volatility:	80.31%

A compensation expense of \$25,163 associated with vested options was recognized during the three months ended March 31, 2016 (year ended September 30, 2015: \$84,037)

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2016

(Expressed in Canadian Dollars)

5. EQUITY (continued)

c) Share options

The continuity of the number of share options outstanding is summarized as follows:

	Number of Options	Weighted Average Exercise Price (\$)
At start of the period	1,425,000	0.50
Granted	-	0.00
At end of period	1,425,000	0.50
Vested and exercisable	1,325,000	0.50

At March 31, 2016, the weighted average exercise price of options outstanding was \$0.50 (September 30, 2015: \$0.50) and their weighted average remaining contractual life was 3.60 years (September 30, 2015: 4.10 years).

6. RELATED PARTY TRANSACTIONS

a) Trading Transactions

The Company's related parties consist of a company controlled by a Company director, a company controlled by the Company's Chairman, a company controlled by the Company's President and Chief Executive Officer ("CEO"), a company controlled by the Company's Chief Financial Officer ("CFO") and a company controlled by the Company's former Corporate Secretary.

	Nature of Transaction
Karlsson Corporation	Geological Consulting
Kasheema International Ltd.	Management
Zeitler Holdings Corp	Management
Michael J. Kuta Law Corporation	Legal Services
Delphis Financial Strategies Inc	Management

The Company incurred the following fees in the normal course of operations with companies controlled by key management and/or with directors. Transactions have been measured at the exchange amount which is determined on a cost recovery basis.

	For the six months ended March 31,	
	2016	2015
Management and consulting fees	\$ 178,843	\$ 162,936
Geological fees	60,699	-
Directors' fees	11,500	20,500
Legal services	-	22,470
	\$ 251,042	\$ 205,906

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2016

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (continued)

Included in trade and other payables as at March 31, 2016 is \$123,280 (September 30, 2015: \$70,630) owing to related parties.

Amounts due from and to related parties are unsecured, non-interest bearing and due on demand.

b) Key Management Compensation

The remuneration of members of key management during the quarters ended December 31, 2015 and 2014 is as follows:

	For the six months ended March 31,	
	2016	2015
Management, consulting, geological and legal fees	\$ 239,542	\$ 185,406
Share based-compensation expense	25,163	-
	264,705	185,406

7. BORROWINGS

On February 1, 2016, Los Andes received an unsecured US\$200,000 working capital loan from TBML, subject to an interest rate of 0.5% per month compounded annually not in advance, both before and after maturity or default. On March 31, 2016, the TBML loan and accrued interest of \$2,593 amounted to \$261,923.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2016

(Expressed in Canadian Dollars)

8. SEGMENTED INFORMATION

At March 31, 2016, the Company had three reportable operating segments: mineral exploration, hydroelectric project and corporate, and has operations in two geographical areas, Canada and Chile.

Operating segments

	Six months ended March 31,	
	2016	2015
Net loss		
Mineral exploration	\$ (5,491)	\$ (7,184)
Hydroelectric project	(128,395)	75,531
Corporate	(262,207)	(308,540)
	\$ (396,093)	\$ (240,193)
	March 31,	September 30,
	2016	2015
Assets		
Mineral exploration	\$ 72,027,652	\$ 70,726,202
Hydroelectric project	8,250,843	8,251,099
Corporate	39,275	932,217
	\$ 80,317,770	\$ 79,909,518

Geographic segments

	Six months ended March 31,	
	2016	2015
Net loss		
Canada	\$ (262,207)	\$ (308,540)
Chile	(133,886)	68,347
	\$ (396,093)	\$ (240,193)
	March 31,	September 30,
	2016	2015
Assets		
Canada	\$ 39,275	\$ 932,217
Chile	80,278,495	78,977,301
	\$ 80,317,770	\$ 79,909,518

LOS ANDES COPPER LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2016

(Expressed in Canadian Dollars)

9. SUPPLEMENTAL CASH FLOW INFORMATION**Non-cash financing activities**

At March 31, 2016, net exploration costs included in accounts payable and accrued liabilities were \$450,374 (September 30, 2015: \$82,113).

		Six months ended March 31,	
		2016	2015
Cash received for interest	\$	223 \$	233
		March 31,	September 30,
		2016	2015
Cash	\$	65,929 \$	1,162,515

10. COMMITMENTS AND CONTINGENCIES

One of the Company's Chilean subsidiaries has entered into a lease agreement for the lease of office premises in Santiago, Chile. The commencement date of the lease was July 1, 2012, for an initial two year term, which has been extended to June 30, 2016. The share of basic rent commitments for the remaining term of the contract is approximately \$12,323.

11. SUBSEQUENT EVENTS

Subsequent to March 31, 2016, Compañía Minera Vizcachitas Holding ("CMVH"), a wholly-owned subsidiary of Los Andes, received a loan of 2,695.89 Chilean Unidades de Fomento (approximately \$131,300 on the date of grant of the loan) from an arms-length party. The loan is due on the thirtieth day after May 20, 2016 and the maturity date will automatically be extended in subsequent periods of thirty days each, unless the lender notifies CMVH otherwise, with notice provided at least ten days prior to the next loan maturity date. The loan is subject to an annual interest rate of 8% on the total amounts outstanding, payable at the time of repayment of the loan principal. Additional penalty charges would apply if the loan is not paid within the prescribed time frame.