

LOS ANDES COPPER LTD.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED DECEMBER 31, 2014
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
(Expressed in Canadian Dollars)

	December 31, 2014 (\$)	September 30, 2014 (\$)
ASSETS		
Current		
Cash and cash equivalents (Note 9)	7,963	15,853
Trade and other receivables	4,682	2,150
Prepaid expenses and deposits	15,852	24,188
	28,497	42,191
Non-current assets		
VAT tax credits	1,577,529	1,491,600
Unproven mineral right interests (Notes 2 and 3)	68,372,841	67,538,738
Hydro-electric project water rights (Note 4)	8,250,000	8,250,000
Equipment	7,169	15,167
	78,236,036	77,337,696
LIABILITIES		
Current		
Trade and other payables (Note 7)	1,058,462	741,802
Borrowings (Note 5)	638,985	576,574
	1,697,447	1,318,376
Non-current liability		
Deferred income tax	2,868,621	2,868,621
	4,566,068	4,186,997
EQUITY		
Share capital (Note 6)	87,419,489	87,419,489
Equity reserve (Note 6)	2,320,854	2,320,854
Deficit	(14,074,927)	(13,834,370)
Accumulated other comprehensive loss	(1,995,448)	(2,755,274)
Equity attributable to the owners of the Company	73,669,968	73,150,699
Non-controlling interest	-	-
	73,669,968	73,150,699
	78,236,036	77,337,696

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 LOSS and COMPREHENSIVE INCOME (LOSS)**

(Expressed in Canadian Dollars)

	Quarters ended December 31,	
	2014	2013
	(\$)	(\$)
EXPENSES		
General and Administrative		
Depreciation	2,977	2,321
Consulting, salaries and management fees (Note 7)	84,210	80,464
Office and administration	8,251	8,374
Professional fees (Note 7)	11,286	22,316
Shareholder communications	3,681	5,631
Transfer agent, filing and regulatory fees	8,528	13,062
	118,933	132,168
Hydro-electric Project		
Depreciation	34	-
Professional fees	49,346	-
Project supplies and expenses	8,144	-
Studies	21,659	-
	79,183	-
Loss before other items	(198,116)	(132,168)
OTHER ITEMS		
Foreign exchange loss	(33,455)	(2,866)
Interest expense	(8,987)	-
Interest income	1	111
	(42,441)	(2,755)
Loss before income taxes	(240,557)	(134,923)
Net loss attributable to:		
Owners of the Company	(240,557)	(134,923)
Non-controlling interest	-	-
Net loss for the period	(240,557)	(134,923)
Other comprehensive income		
Cumulative translation allowance	759,826	13,604
	759,826	13,604
Loss and comprehensive income (loss) attributable to:		
Owners of the Company	519,269	(121,319)
Non-controlling interest	-	-
Loss and comprehensive income (loss) for the period	519,269	(121,319)
Basic and diluted loss per share	-	-
Weighted average number of shares outstanding	200,432,599	162,932,599

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
(Expressed in Canadian Dollars)

Common shares						
	No. of shares	Amount (\$)	Deficit (\$)	Equity Reserve (\$)	Accumulated Other Comprehensive Loss (\$)	Shareholders' Equity (\$)
Balance - October 1, 2013	162,932,599	79,169,489	(12,082,521)	2,320,854	(1,238,416)	68,169,406
Acquisition of hydro-electric project (Notes 4 and 6)	37,500,000	8,250,000	-	-	-	8,250,000
Net loss	-	-	(1,751,849)	-	-	(1,751,849)
Cumulative translation allowance	-	-	-	-	(1,516,858)	(1,516,858)
Balance - September 30, 2014	200,432,599	87,419,489	(13,834,370)	2,320,854	(2,755,274)	73,150,699
Balance - October 1, 2014	200,432,599	87,419,489	(13,834,370)	2,320,854	(2,755,274)	73,150,699
Net loss	-	-	(240,557)	-	-	(240,557)
Cumulative translation allowance	-	-	-	-	759,826	759,826
Balance - December 31, 2014	200,432,599	87,419,489	(14,074,927)	2,320,854	(1,995,448)	73,669,968

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
(Expressed in Canadian Dollars)

	Quarters ended December 31,	
	2014	2013
	(\$)	(\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(240,557)	(134,923)
Items not affecting cash:		
Depreciation	3,011	2,321
Deferred interest expense	8,987	
Change in non-cash working capital items:		
Trade and other receivables	(2,532)	(1,837)
Prepaid expenses and deposits	8,336	5,535
Trade and other payables	226,996	65,122
Net cash provided by (used in) operating activities	4,241	(63,782)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings (Note 5)	28,494	-
Net cash provided by financing activities	28,494	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Unproven mineral right interests	(49,338)	(131,644)
VAT tax credits	(23,183)	(16,602)
Net cash used in investing activities	(72,521)	(148,246)
Change in cash for the period	(39,786)	(212,028)
Effect of exchange rate changes on cash	31,896	14,037
Cash and cash equivalents, beginning of period	15,853	243,160
Cash and cash equivalents, end of period	7,963	45,169

Supplemental cash flow information (Note 9)

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2014

(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 months ended December 31, 2014 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 December 31, 2014, 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, 2014.

These interim financial statements were authorized for issue by the board of directors of the Company on February 25, 2015.

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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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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, 2014.

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. Five 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 (the "TBC Transaction") from Turnbrook Corporation ("TBC") of all of the issued and outstanding securities of Gemma Properties Group Limited ("GPGL"). GPGL indirectly owns 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 accordance with the terms and conditions of the TBC Transaction, the Company issued to TBC 35,000,000 common shares in the capital stock of the Company and 13,000,000 warrants to purchase common shares of the Company. The warrants were exercised in the year ended September 30, 2012.

At December 31, 2014, the Company had the right to a total of 81 exploration concessions and 38 exploitation concessions and TBC owned 25% of the issued and outstanding shares of the Company. TBC has the right to require Los Andes to first offer to TBC and/or to TBC nominees the right to purchase a pro rata share of any new securities to be issued or sold by the Company at the same price and on the same terms offered on the sale of such securities.

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

DECEMBER 31, 2014

(Expressed in Canadian Dollars)

3. UNPROVEN MINERAL RIGHT INTERESTS

As at December 31, 2014 all of the Company's mineral right interests are 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, 2013	Costs incurred in year ended Sept. 30, 2014	Total costs to Sept. 30, 2014	Costs incurred in quarter ended December 31, 2014	Total costs to December 31, 2014
VIZCACHITAS					
Acquisition costs	54,562,243	-	54,562,243	-	54,562,243
Water rights	4,122,611	-	4,122,611	-	4,122,611
Deferred exploration					
Auto mobile and travel	88,367	9,496	97,863	3,275	101,138
Assaying	139,658	-	139,658	-	139,658
Camp rehabilitation, maintenance and security	775,432	164,316	939,748	41,690	981,438
Core handling and storage	32,914	-	32,914	-	32,914
Drilling	3,477,236	-	3,477,236	-	3,477,236
Equipment and equipment rental	434,013	-	434,013	-	434,013
Exploration administration	1,062,950	236,203	1,299,153	66,971	1,366,124
Food and accommodation	176,192	4,333	180,525	1,330	181,855
Geological consulting	382,531	98,158	480,689	25,673	506,362
Other	68,668	(1711)	66,957	-	66,957
Property & surface rights, taxes & tenure fees	729,065	143,683	872,748	-	872,748
Road repairs	34,073	32	34,105	-	34,105
Studies and other consulting	1,406,784	69,038	1,475,822	-	1,475,822
Subcontractors	1,269,366	-	1,269,366	-	1,269,366
Supplies	531,459	4,026	535,485	64	535,549
Sustainable development	29,468.00	33	29,501	-	29,501
	<u>10,638,176</u>	<u>727,607</u>	<u>11,365,783</u>	<u>139,003</u>	<u>11,504,786</u>
Exchange rate differences	(1,022,553)	(1,489,346)	(2,511,899)	695,100	(1,816,799)
	<u>\$ 68,300,477</u>	<u>\$ (761,739)</u>	<u>\$ 67,538,738</u>	<u>\$ 834,103</u>	<u>\$ 68,372,841</u>

Included within unproven mineral right interests are water rights to a permanent, continuous and consumptive use of 250 liters per second flow from the Aconcagua River, located near the Vizcachitas Property.

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4. THE ROCIN RIVER HYDROELECTRIC PROJECT

On January 22, 2014, Los Andes received approval from the TSX-V for the acquisition (the “Acquisition”) by the Company from Turnbrook Mining Ltd. (“TBML”) of 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”).

Consideration for the Acquisition consisted of 37,500,000 Los Andes shares, valued at a share price of \$0.22, for total consideration of \$8,250,000.

At December 31, 2014, TBML owned 23% of the issued and outstanding shares of the Company.

The Rocin River water rights and associated studies are indirectly held by the Company’s subsidiary Rocin SPA (“Rocin”). In June 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 has in turn incorporated a subsidiary (the “Rocin Subsidiary”) to own, develop, build and operate the Hydroelectric Facility. As of December 31, 2014, 0.38% of the issued and outstanding shares of the Rocin Subsidiary had been sold to an arms-length party for proceeds of \$55,533 (Note 11(b)).

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. BORROWINGS

Los Andes received unsecured working capital loans from TBML on the dates and for the amounts set out below. Each loan was evidenced by a Promissory Note due and payable no later than on the 14th calendar day following the date of delivery of a written notice of demand for payment from TBML to Los Andes. Each of the Promissory Notes provides for interest at a rate of 0.5% per month compounded annually not in advance, both before and after maturity or default.

- | | |
|----------------------|--------------|
| a) January 10, 2014: | US\$100,000. |
| b) January 23, 2014: | US\$100,000. |
| c) March 21, 2014: | US\$165,000. |
| d) April 24, 2014: | US\$90,000. |
| e) May 30, 2014: | US\$45,000 |

Interest of US\$24,310 was accrued to December 31, 2014 in connection with the TBML Borrowings. Subsequent to December 31, 2014, the Company settled the TBML Borrowings (Note 11(a)).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Expressed in Canadian Dollars)

On November 5, 2014, Los Andes received an unsecured US\$25,049 working capital loan from Karlsson Corporation, an unrelated party. The loan was evidenced by a Promissory Note due and payable no later than on the 14th calendar day following the date of delivery of a written notice of demand for payment from Karlsson to Los Andes. The Promissory Notes provided for interest at a rate of 0.5% per month compounded annually not in advance, both before and after maturity or default.

Interest of US\$229 was accrued to December 31, 2014 in connection with the Karlsson promissory note. Subsequent to December 31, 2014, the Company paid the Karlsson promissory note and accrued interest.

6. EQUITY**Capital**

a) Share Capital

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

No shares were issued during the quarter ended December 31, 2014.

During the year ended September 30, 2014, the Company issued 37,500,000 Los Andes shares (\$8,250,000) in connection with the Acquisition described in Note 4.

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.

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	500,000	0.50
Granted	-	-
At end of period	500,000	0.50
Vested and exercisable	100,000	0.50

At December 31, 2014, the weighted average exercise price of options outstanding was \$0.50 (September 30, 2014: \$0.50) and their weighted average remaining contractual life was 3.42 years (September 30, 2014: 3.67 years).

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

DECEMBER 31, 2014

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

a. Trading Transactions

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

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

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 quarters ended December 31,	
	2014	2013
Management and consulting fees	79,210	75,463
Directors' fees	5,000	5,000
Legal services	11,235	11,235
	95,445	91,698

Included in trade and other payables as at December 31, 2014 is \$313,627 (September 30, 2014: \$236,576) 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 periods ended December 31, 2014 and 2013 is as follows:

	For the quarters ended December 31,	
	2014	2013
Management, consulting and legal fees	90,445	86,698

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

DECEMBER 31, 2014

(Expressed in Canadian Dollars)

8. SEGMENTED INFORMATION

At December 31, 2014 the Company has three reportable operating segments: mineral exploration, hydroelectric project and corporate, and has operations in two geographical areas, Canada and Chile.

Operating segments

	Quarters ended December 31,	
	2014	2013
Net loss		
Mineral exploration	\$ (3,171)	\$ (4,538)
Hydroelectric project	(79,183)	-
Corporate	(158,203)	(130,385)
	\$ (240,557)	\$ (134,923)

	December 31,		September 30,	
	2014		2014	
Assets				
Mineral exploration	\$ 69,969,889	\$ 69,969,889	\$ 69,067,485	\$ 69,067,485
Hydroelectric project	8,250,344	8,250,344	8,250,378	8,250,378
Corporate	15,803	15,803	19,833	19,833
	\$ 78,236,036	\$ 78,236,036	\$ 77,337,696	\$ 77,337,696

Geographic segments

	Quarters ended December 31,	
	2014	2013
Net loss		
Canada	\$ (158,203)	\$ (130,385)
Chile	(82,354)	(4,538)
	\$ (240,557)	\$ (134,923)

	December 31,		September 30,	
	2014		2014	
Assets				
Canada	\$ 15,803	\$ 15,803	\$ 19,833	\$ 19,833
Chile	78,220,233	78,220,233	77,317,863	77,317,863
	\$ 78,236,036	\$ 78,236,036	\$ 77,337,696	\$ 77,337,696

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

At December 31, 2014, net exploration costs included in accounts payable and accrued liabilities were \$206,720 (September 30, 2014: \$117,056).

		Quarters ended December 31,	
		2014	2013
Cash received for interest	\$	1	111
		December 31,	September 30,
		2014	2014
Cash	\$	7,963	\$ 15,853
Cash equivalents		-	-
	\$	7,963	\$ 15,853

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 for a further year. The share of basic rent commitments for the remaining term of the contract is approximately \$23,000.

During 2008 the Municipality of Putaendo in Chile filed a claim against CMV for alleged illegal intervention of river beds of the Rocin River. The Chilean General Department of Waters ("DGA") accepted this claim but subsequently issued a final ruling declaring this matter resolved as the natural course of the Rocin River had been restored by rising river currents.

Also in 2008, a second claim for alleged illegal intervention of river beds of the Rocin River was filed by the Municipality of Putaendo against CMV. CMV, through its Chilean legal counsel, also filed an answer to this claim.

Although the final DGA decision on this second claim is pending, the Company expects it to be resolved on the same terms and for the same reason as was the first claim.

No amount has been recorded by the Company in respect of the unresolved claim as the amount, if any, is not determinable.

11. SUBSEQUENT EVENTS

Subsequent to December 31, 2014:

- a) Los Andes closed a financing for approximately \$2.1 million in total proceeds, including \$1,450,000 in gross proceeds from a non-brokered private placement (the "Private Placement") and \$652,587 pursuant to shares for debt settlement agreements with two insider shareholders of the Company (the "Settlement Agreements"). All shares were issued at a price of \$0.22 per share.

A total of 6,590,909 shares (the "Private Placement Shares") were issued to the Company's controlling shareholder, Turnbrook Mining Ltd. ("TBML"), in accordance with the terms of the Private Placement, and a total of 2,966,306 shares (the "Settlement Shares") were issued to TBML and Zeitler Holdings Corp. ("ZHC") in full and final settlement of amounts owing to each of TBML and ZHC. ZHC is the management company of the Chairman of Los Andes. In accordance with the Settlement Agreements, \$608,487 of interest and principal owing

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to TBML pursuant to loans made by TBML to Los Andes (Note 5), and \$44,100 owing to ZHC, being one-half of management fees outstanding to ZHC as of the date of settlement, have been settled through the issue of the Settlement Shares to TBML and ZHC.

In accordance with applicable Canadian securities laws, the Private Placement Shares and the Settlement Shares are subject to a hold period to May 28, 2015, which is four months and one day from the closing date of the transactions.

Los Andes is using the proceeds from the Private Placement to fund exploration and development work on the Company's Vizcachitas project and for general working capital purposes.

- b) The Company completed the sale of shares representing a 1.52% interest in the Rocin Subsidiary. Cash consideration of US\$200,000 for this non-controlling interest had been received in fiscal 2014 and was included in trade and other payables at December 31, 2014. Following this sale of shares, the Company retains a controlling interest of 98.10% in the Rocin Subsidiary.
- c) Los Andes repaid the Karlsson promissory note (Note 5) and accrued interest, for a total of US\$25,312.