

LOS ANDES COPPER LTD.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE and SIX MONTHS ENDED MARCH 31, 2017 and 2016
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, 2017 (\$) | September 30, 2016 (\$) |
|---|---------------------------|-------------------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents (Note 9) | 5,402,212 | 9,663 |
| Trade and other receivables | 9,793 | 1,565 |
| Prepaid expenses and deposits | 86,632 | 170,624 |
| | 5,498,637 | 181,852 |
| Non-current assets | | |
| Unproven mineral right interests (Notes 2, 3 and 7) | 75,033,835 | 73,460,048 |
| Hydro-electric project water rights (Note 4) | 8,250,000 | 8,250,000 |
| Equipment | 33 | 112 |
| | 88,782,505 | 81,892,012 |
| LIABILITIES | | |
| Current | | |
| Trade and other payables (Note 7) | 505,163 | 1,352,366 |
| Borrowings (Note 5) | - | 472,882 |
| | 505,163 | 1,825,248 |
| Non-current liability | | |
| Deferred income tax | 5,843,546 | 5,843,546 |
| | 6,348,709 | 7,668,794 |
| EQUITY | | |
| Share capital (Note 6) | 96,501,093 | 91,297,107 |
| Equity reserve (Note 6) | 5,243,785 | 2,407,771 |
| Deficit | (18,618,908) | (18,356,340) |
| Accumulated other comprehensive loss | (838,489) | (1,271,968) |
| Equity attributable to the owners of the Company | 82,287,481 | 74,076,570 |
| Non-controlling interest | 146,315 | 146,648 |
| | 82,433,796 | 74,223,218 |
| | 88,782,505 | 81,892,012 |

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)

| | Quarter ended | | Six months ended | |
|---|---------------|-------------|------------------|-------------|
| | March 31, | | March 31, | |
| | 2017 | 2016 | 2017 | 2016 |
| | (\$) | (\$) | (\$) | (\$) |
| EXPENSES | | | | |
| General and Administrative | | | | |
| Depreciation | - | 2,482 | - | 5,169 |
| Consulting, salaries and management fees (Note 7) | 94,564 | 97,016 | 188,026 | 190,343 |
| Office and administration | 6,257 | 5,698 | 12,629 | 15,840 |
| Professional fees | 33,327 | 16,500 | 44,664 | 25,868 |
| Shareholder communications | 7,944 | 5,562 | 28,346 | 8,634 |
| Share-based compensation | - | 25,163 | - | 25,163 |
| Transfer agent, filing and regulatory fees | 49,588 | 14,146 | 52,071 | 21,821 |
| | 191,680 | 166,567 | 325,736 | 292,838 |
| Hydro-electric Project | | | | |
| Depreciation | 39 | 36 | 80 | 75 |
| Professional fees | 1,377 | 18,007 | (21,389) | 29,708 |
| Project supplies and expenses | 1,396 | 32,457 | 4,425 | 39,256 |
| Studies | (3) | 30,203 | (653) | 59,356 |
| | 2,809 | 80,703 | (17,537) | 128,395 |
| Loss before other items | (194,489) | (247,270) | (308,199) | (421,233) |
| OTHER ITEMS | | | | |
| Foreign exchange (loss) gain | (62,875) | 37,420 | 53,442 | 27,510 |
| Interest expense | (491) | (2,593) | (11,379) | (2,593) |
| Interest income | 3,225 | 15 | 3,235 | 223 |
| | (60,141) | 34,842 | 45,298 | 25,140 |
| Loss before income taxes | (254,630) | (212,428) | (262,901) | (396,093) |
| Net loss attributable to: | | | | |
| Owners of the Company | (253,910) | (210,894) | (262,568) | (393,653) |
| Non-controlling interest | (720) | (1,534) | (333) | (2,440) |
| Net loss | (254,630) | (212,428) | (262,901) | (396,093) |
| Other comprehensive (loss) income | | | | |
| Cumulative translation allowance | (10,821) | (307,307) | 433,479 | (284,740) |
| | (10,821) | (307,307) | 433,479 | (284,740) |
| (Loss) income and comprehensive (loss) income attributable to: | | | | |
| Owners of the Company | (264,731) | (518,201) | 170,911 | (678,393) |
| Non-controlling interest | (720) | (1,534) | (333) | (2,440) |
| (Loss) income and comprehensive (loss) income | (265,451) | (519,735) | 170,578 | (680,833) |
| Basic and diluted loss per share | | | | |
| | - | - | - | - |
| Weighted average number of shares outstanding | 244,858,136 | 218,058,136 | 234,697,696 | 217,625,512 |

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, 2015 | 216,669,186 | 90,991,538 | (17,156,665) | 2,404,891 | (2,171,082) | 150,907 | 74,219,589 |
| Private placement (Note 6) | 1,388,950 | 305,569 | - | - | - | - | 305,569 |
| Share-based compensation | - | - | - | 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 |
| Share-based compensation | - | - | - | (22,283) | - | - | 22,283 |
| Net loss | - | - | (806,022) | - | - | (1,819) | (807,841) |
| Cumulative translation allowance | - | - | - | - | 1,183,854 | - | 1,183,854 |
| Balance - September 30, 2016 | 218,058,136 | 91,297,107 | (18,356,340) | 2,407,771 | (1,271,968) | 146,648 | 74,223,218 |
| Balance - October 1, 2016 | 218,058,136 | 91,297,107 | (18,356,340) | 2,407,771 | (1,271,968) | 146,648 | 74,223,218 |
| Private placement (Note 6) | 26,800,000 | 5,203,986 | - | 2,836,014 | - | - | 8,040,000 |
| Net loss | - | - | (262,568) | - | - | (333) | (262,901) |
| Cumulative translation allowance | - | - | - | - | 433,479 | - | 433,479 |
| Balance - March 31, 2017 | 244,858,136 | 96,501,093 | (18,618,908) | 5,243,785 | (838,489) | 146,315 | 82,433,796 |

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, | |
|---|-------------------------------|--------------------|
| | 2017 | 2016 |
| | (\$) | (\$) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | (262,901) | (396,093) |
| Items not affecting cash: | | |
| Depreciation | 80 | 5,244 |
| Share-based compensation | - | 25,163 |
| Interest expense | - | 2,593 |
| Change in non-cash working capital items: | | |
| Trade and other receivables | (8,228) | (438) |
| Prepaid expenses and deposits | 83,992 | 1,500 |
| Trade and other payables | (447,971) | 128,169 |
| Net cash used in operating activities | (635,028) | (233,862) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of shares (Note 6) | 8,040,000 | 305,569 |
| Repayment of borrowings | (472,882) | 279,396 |
| Net cash provided by financing activities | 7,567,118 | 584,965 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Unproven mineral right interests | (1,539,652) | (1,550,200) |
| Net cash used in investing activities | (1,539,652) | (1,550,200) |
| Change in cash for the period | 5,392,438 | (1,199,097) |
| Effect of exchange rate changes on cash | 111 | 102,511 |
| Cash and cash equivalents, beginning of period | 9,663 | 1,162,515 |
| Cash and cash equivalents, end of period | 5,402,212 | 65,929 |

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, 2017

(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 1260 - 355 Burrard Street, Vancouver, B.C. V6C 2G8, Canada. These condensed consolidated interim financial statements ("interim financial statements") of the Company as at and for the six months ended March 31, 2017 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, 2017, 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, 2016.

These interim financial statements were authorized for issue by the board of directors of the Company on May 29, 2017.

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, 2017

(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, 2016.

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, 2017, TBML owns a total of 143,736,144 or approximately 58.7% of the common shares of the Company (Notes 4 and 6). 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, 2017

(Expressed in Canadian Dollars)

3. UNPROVEN MINERAL RIGHT INTERESTS

As at March 31, 2017, the Company had the right to a total of 68 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, 2015 | Costs incurred in year ended Sept. 30, 2016 | Total costs to Sept. 30, 2016 | Costs incurred in six months ended March 31, 2017 | Total costs to March 31, 2017 |
|--|---|--|-------------------------------------|--|-------------------------------------|
| VIZCACHITAS | | | | | |
| Acquisition costs | 54,562,243 | | - | 54,562,243 | 54,562,243 |
| Water rights | 4,122,611 | | - | 4,122,611 | - |
| VAT tax credits | 1,612,742 | 212,024 | 1,824,766 | | 179,724 |
| Deferred exploration | | | | | |
| Automobile and travel | 118,287 | 67,638 | 185,925 | 39,382 | 225,307 |
| Assaying | 139,658 | 47,717 | 187,375 | 1,371 | 188,746 |
| Camp rehabilitation, maintenance and security | 1,118,962 | 382,139 | 1,501,101 | 192,750 | 1,693,851 |
| Core handling and storage | 32,914 | | - | 32,914 | - |
| Drilling | 3,477,236 | 531,485 | 4,008,721 | | - |
| Equipment and equipment rental | 434,141 | 77,958 | 512,099 | 32,061 | 544,160 |
| Exploration administration | 1,561,305 | 378,304 | 1,939,609 | 278,710 | 2,218,319 |
| Food and accomodation | 188,014 | 50,796 | 238,810 | 18,742 | 257,552 |
| Geological consulting | 591,485 | 336,190 | 927,675 | 160,068 | 1,087,743 |
| Other | 66,957 | 5,352 | 72,309 | | - |
| Property & surface rights, taxes & tenure fees | 992,744 | 135,306 | 1,128,050 | 149,718 | 1,277,768 |
| Road repairs | 34,105 | | - | 34,105 | - |
| Studies and other consulting | 1,478,798 | 9,820 | 1,488,618 | 175,216 | 1,663,834 |
| Subcontractors | 1,269,366 | | - | 1,269,366 | - |
| Supplies | 536,791 | 29,987 | 566,778 | 14,971 | 581,749 |
| Sustainable development | 29,501 | | - | 29,501 | - |
| | 12,070,264 | 2,052,692 | 14,122,956 | 1,062,989 | 15,185,945 |
| Exchange rate differences | (2,045,935) | 873,407 | (1,172,528) | 331,074 | (841,454) |
| | \$ 70,321,925 | \$ 3,138,123 | \$ 73,460,048 | \$ 1,573,787 | \$ 75,033,835 |

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, 2017

(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, 2017, 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.

LOS ANDES COPPER LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2017

(Expressed in Canadian Dollars)

5. BORROWINGS

- a) 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 July 7, 2016, the Company made a partial repayment of US\$15,000 in respect of this loan. The TBML loan was repaid in the quarter ended March 31, 2017.
- b) On May 20, 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 was originally due on the thirtieth day after May 20, 2016 but the maturity date was automatically extended in subsequent periods of thirty days each, unless the lender notified CMVH otherwise, with notice to be provided at least ten days prior to the next loan maturity date. The loan was 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 applied if the loan was not paid within the prescribed time frame. The loan was repaid in the quarter ended December 31, 2016.
- c) On July 1, 2016, CMVH received a loan of 1,300 Chilean Unidades de Fomento (approximately \$49,786 on the date of grant of the loan) from an arms-length party. The loan was due on the sixtieth day after July 1, 2016 and the maturity date was automatically extended in subsequent periods of sixty days each, unless the lender notified CMVH otherwise, with notice to be provided at least ten days prior to the next loan maturity date. The loan was subject to an annual interest rate of 7% on the total amounts outstanding, payable at the time of repayment of the loan principal. Additional penalty charges applied if the loan was not paid within the prescribed time frame. The loan was repaid in the quarter ended December 31, 2016.
- d) On September 15, 2016, CMVH received a loan of US\$7,000 (approximately \$9,088 on the date of grant of the loan) from a Company director. The loan was due on thirtieth day after September 15, 2016 and the maturity date was automatically extended in subsequent periods of sixty days each, unless the lender notified CMVH otherwise, with notice to be provided at least ten days prior to the next loan maturity date. The loan was 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 applied if the loan was not paid within the prescribed time frame. The loan was repaid in the quarter ended December 31, 2016.
- e) On October 5, 2016, Los Andes received an unsecured US\$15,000 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. The loan was repaid in the quarter ended March 31, 2017.
- f) On October 25, 2016, Los Andes received an unsecured US\$15,000 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. The loan was repaid in the quarter ended March 31, 2017.

LOS ANDES COPPER LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2017

(Expressed in Canadian Dollars)

6. EQUITY**Capital**

a) Share capital

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

On December 8, 2016, Los Andes closed a non-brokered private placement raising \$8,040,000. The Company issued 26,800,000 units (the "Units") priced at \$0.30 per Unit. Each Unit consists of one common share of the Company (a "Unit Share") and one detachable share purchase warrant (a "Warrant") entitling the holder thereof to purchase one additional common share of the Company (a "Warrant Share") at a price of \$0.45 per Warrant Share for a period of three years.

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.

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 during the year ended September 30, 2016, or during the six months ended March 31, 2017.

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 | - | - |
| At end of period | 1,425,000 | 0.50 |
| Vested and exercisable | 1,325,000 | 0.50 |

At March 31, 2017, the weighted average exercise price of options outstanding was \$0.50 (September 30, 2016: \$0.50) and their weighted average remaining contractual life was 2.60 years (September 30, 2016: 3.10 years).

LOS ANDES COPPER LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2017

(Expressed in Canadian Dollars)

6. EQUITY(continued)

d) Warrants

On December 8, 2016, Los Andes issued 26,800,000 detachable Warrants entitling the holder thereof to purchase one additional common share of the Company at a price of \$0.45 per Warrant Share for a period of three years.

The continuity of the number of Warrants outstanding is summarized as follows:

| | Number of Warrants | Weighted Average Exercise Price (\$) |
|------------------------|-----------------------|---|
| At start of the period | - | - |
| Granted | 26,800,000 | 0.45 |
| At end of period | 26,800,000 | 0.45 |
| Vested and exercisable | 26,800,000 | 0.45 |

7. 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") and a company controlled by the Company's Chief Financial Officer ("CFO").

| | Nature of Transaction |
|----------------------------------|-----------------------|
| Karlsson Corporation | Geological Consulting |
| Sociedad Cartografica Limitada | Geological Consulting |
| Kasheema International Ltd. | Management |
| Zeitler Holdings Corp | Management |
| 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, | | | |
|--------------------------------|------------------------------------|---------|------|---------|
| | 2017 | | 2016 | |
| Management and consulting fees | \$ | 176,526 | \$ | 178,843 |
| Geological fees | | 59,891 | | 60,699 |
| Directors' fees | | 11,500 | | 11,500 |
| | \$ | 247,917 | \$ | 251,042 |

Included in trade and other payables as at March 31, 2017 is \$51,900 (September 30, 2016: \$362,892) owing to related parties. Amounts due from and to related parties are unsecured, non-interest bearing and due on demand.

LOS ANDES COPPER LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2017

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS (continued)

b) Key Management Compensation

The remuneration of members of key management during the six months ended March 31, 2017 and 2016 is as follows:

| | For the six months ended March 31, | |
|---|------------------------------------|------------|
| | 2017 | 2016 |
| Management, consulting, geological and legal fees | \$ 236,417 | \$ 239,542 |
| Share based-compensation expense | - | 25,163 |
| | 236,417 | 239,542 |

8. SEGMENTED INFORMATION

At March 31, 2017, the Company had three reportable operating segments: mineral exploration, hydroelectric project and corporate, and had operations in two geographical areas, Canada and Chile.

Operating segments

| | Six months ended March 31, | |
|-----------------------|----------------------------|--------------|
| | 2017 | 2016 |
| Net loss | | |
| Mineral exploration | \$ (6,957) | \$ (5,491) |
| Hydroelectric project | 17,538 | (128,395) |
| Corporate | (273,482) | (262,207) |
| | \$ (262,901) | \$ (396,093) |

| | March 31, | | September 30, | |
|-----------------------|---------------|----|---------------|--|
| | 2017 | | 2016 | |
| Assets | | | | |
| Mineral exploration | \$ 76,214,166 | \$ | 73,623,077 | |
| Hydroelectric project | 8,250,749 | | 8,250,908 | |
| Corporate | 4,317,590 | | 18,027 | |
| | \$ 88,782,505 | \$ | 81,892,012 | |

LOS ANDES COPPER LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2017

(Expressed in Canadian Dollars)

8. SEGMENTED INFORMATION (continued)**Geographic segments**

| | | Six months ended March 31, | |
|----------|----|----------------------------|---------------|
| | | 2017 | 2016 |
| Net loss | | | |
| Canada | \$ | (273,482) | \$ (262,207) |
| Chile | | 10,581 | (133,886) |
| | \$ | (262,901) | \$ (396,093) |
| <hr/> | | | |
| | | March 31, | September 30, |
| | | 2017 | 2016 |
| Assets | | | |
| Canada | \$ | 4,317,590 | \$ 18,027 |
| Chile | | 84,464,915 | 81,873,985 |
| | \$ | 88,782,505 | \$ 81,892,012 |

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

At March 31, 2017, net exploration costs included in accounts payable and accrued liabilities were \$286,436 (September 30, 2016: \$685,668).

| | | Six months ended March 31, | |
|----------------------------|----|----------------------------|---------------|
| | | 2017 | 2016 |
| Cash received for interest | \$ | 3,235 | \$ 223 |
| <hr/> | | | |
| | | March 31, | September 30, |
| | | 2017 | 2016 |
| Cash | \$ | 5,402,212 | \$ 9,663 |

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, 2017. The share of basic rent commitments for the remaining term of the contract is approximately \$12,947.

LOS ANDES COPPER LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED

MARCH 31, 2017

(Expressed in Canadian Dollars)

11. SUBSEQUENT EVENTS

Subsequent to March 31, 2017, CMVH received a notification from Chile's Environmental Superintendence for alleged infractions resulting from CMVH failure to obtain an RCA (Chilean environmental license) for the drill campaign undertaken by CMVH in 2015-2016. CMVH believes the notification to be without merit as it relies on the fact that CMVH required a license that Chilean regulations do not demand for mining exploration drilling campaigns under 20 drilling platforms, which is the case of the 2015-2016 drill campaign. CMVH's lawyers are pursuing the steps necessary to defend CMVH's interests.