LOS ANDES COPPER LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED DECEMBER 31, 2017 and 2016 UNAUDITED –
PREPARED BY MANAGEMENT

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these interim condensed consolidated financial statements then these financial statements must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed financial statements of the Company have been prepared by and are the responsibility of the Company's management.

LOS ANDES COPPER LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - UNAUDITED

(Expressed in Canadian Dollars)

	December 31, 2017 ($)	September 30, 2017 ($)
ASSETS		
Current		
Cash and cash equivalents	703,054	2,058,463
Trade and other receivables	4,658	6,414
Prepaid expenses and deposits	61,084	59,843
	768,796	2,124,720
Non-current assets		
Unproven mineral right interests (Note 3)	79,865,129	77,730,766
Hydro-electric project water rights (Note 4)	8,250,000	8,250,000
	88,883,925	88,105,486
LIABILITIES		
Current		
Trade and other payables (Note 6)	756,915	1,148,579
	756,915	1,148,579
Non-current liability		
Deferred income tax	7,312,308	7,312,308
	8,069,223	8,460,887
EQUITY		
Share capital (Note 5)	96,643,529	96,643,529
Equity reserve (Note 5)	5,101,349	5,101,349
Deficit	(20,690,490)	(20,555,029)
Accumulated other comprehensive loss	(387,175)	(1,692,100)
Equity attributable to the owners of the Company	80,667,213	79,497,749
Non-controlling interest	147,489	146,850
	80,814,702	79,644,599
	88,883,925	88,105,486

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 9)

On behalf of the Board:

"Klaus Zeitler"	"Francisco Covarrubias"
Director	Director

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

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

	Three months ended December 31, 2017 ($)	Three months ended December 31, 2016 ($)
EXPENSES		
General and Administrative		
Consulting, salaries and management fees (Note 6)	90,630	93,462
Office and administration	19,133	6,372
Professional fees	20,964	11,337
Shareholder communications	37,628	20,402
Transfer agent, filing and regulatory fees	5,479	2,483
	173,834	134,056
Hydro-electric Project		
Depreciation	-	41
Professional fees	(33,719)	(22,766)
Project supplies and expenses	94	3,029
Studies	-	(650)
	(33,625)	(20,346)
Loss before other items	(140,209)	(113,710)
OTHER ITEMS		
Foreign exchange (loss) gain	(1,775)	116,317
Interest expense	-	(10,888)
Interest income	7,162	10
	5,387	105,439
Net loss	(134,822)	(8,271)
Net loss attributable to:		
Owners of the Company	(135,461)	(8,658)
Non-controlling interest	639	387
Net loss	(134,822)	(8,271)
Other comprehensive income		
Cumulative translation allowance	1,304,925	444,300
	1,304,925	444,300
Income and comprehensive income attributable to:		
Owners of the Company	1,169,464	435,642
Non-controlling interest	639	387
Income and comprehensive income	1,170,103	436,029
Basic and diluted loss per share	-	-
Weighted average number of shares outstanding	244,858,136	224,758,136

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

LOS ANDES COPPER LTD.

CONDENSED INTERIM CONSOLIDATED 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, 2016	218,058,136	91,297,107	(18,356,340)	2,407,771	(1,271,968)	146,648	74,223,218
Private placement (Note 5)	26,800,000	5,203,986	-	2,836,014	-	-	8,040,000
Net loss (income)	-	-	(8,658)	-	-	387	(8,271)
Cumulative translation allowance	-	-	-	-	444,300	-	444,300
Balance - December 31, 2016	244,858,136	96,501,093	-18,364,998	5,243,785	(827,668)	147,035	82,699,247
Private placement (Note 5)	-	142,436	-	(142,436)	-	-	-
Net loss	-	-	(2,190,031)	-	-	(185)	(2,190,216)
Cumulative translation allowance	-	-	-	-	(864,432)	-	(864,432)
Balance - September 30, 2017	244,858,136	96,643,529	-20,555,029	5,101,349	(1,692,100)	146,850	79,644,599
Balance - October 1, 2017	244,858,136	96,643,529	(20,555,029)	5,101,349	(1,692,100)	146,850	79,644,599
Net loss	-	-	(135,461)	-	-	639	(134,822)
Cumulative translation allowance	-	-	-	-	1,304,925	-	1,304,925
Balance - December 31, 2017	244,858,136	96,643,529	(20,690,490)	5,101,349	(387,175)	147,489	80,814,702

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

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

	Three months ended December 31, 2017 ($)	Three months ended December 31, 2016 ($)
CASH FLOWS FROM OPERATING ACTIVITES		
Net loss	(134,822)	(8,271)
Items not affecting cash:		
Depreciation	-	41
Interest expense	-	4,579
Change in non-cash working capital items:		
Trade and other receivables	1,756	(3,023)
Prepaid expenses and deposits	(1,241)	47,946
Trade and other payables	14,428	(452,899)
Net cash used in operating activities	(119,879)	(411,627)
CASH FLOWS FROM FINANCING ACTIVITES		
Proceeds from issuance of shares (Note 5)	-	8,040,000
Repayment of borrowings	-	(186,391)
Net cash provided by financing activities	-	7,853,609
CASH FLOWS FROM INVESTING ACTIVITIES		
Unproven mineral right interests	(1,215,451)	(687,230)
Net cash used in investing activities	(1,215,451)	(687,230)
Change in cash for the period	(1,335,330)	6,754,752
Effect of exchange rate changes on cash	(20,079)	(73,792)
Cash and cash equivalents, beginning of period	2,058,463	9,663
Cash and cash equivalents, end of period	703,054	6,690,623

Supplemental cash flow information (Note 8)

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

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 interim consolidated financial statements ("interim financial statements") of the Company as at and for the three months ended December 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 December 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 February 27, 2018.

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.

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, 2017.

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 December 31, 2017, TBML owns a total of 143,736,144 or approximately 58.7% 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.

(Expressed in Canadian Dollars)

3. UNPROVEN MINERAL RIGHT INTERESTS

As at December 31, 2017, the Company had the right to a total of 81 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, 2016	Costs incurred in year ended Sept. 30, 2017	Total costs to Sept. 30, 2017	Costs incurred in quarter ended December 31, 2017	Total costs to December 31, 2017
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	1,824,766	425,674	2,250,440	19,655	2,270,095
Deferred exploration					
Automobile and travel	185,925	194,535	380,460	23,902	404,362
Assaying	187,375	191,643	379,018	244,915	623,933
Camp rehabilitation, maintenance and security	1,501,101	420,740	1,921,841	56,378	1,978,219
Core handling and storage	32,914	1,922	34,836	(1,922)	32,914
Drilling	4,008,721	1,372,295	5,381,016	(25,622)	5,355,394
Equipment and equipment rental	512,099	104,269	616,368	3,181	619,549
Exploration administration	1,939,609	734,358	2,673,967	132,165	2,806,132
Food and accomodation	238,810	99,483	338,293	4,440	342,733
Geological consulting	927,675	373,293	1,300,968	227,756	1,528,724
Other	72,309	4,401	76,710	(3,021)	73,689
Property & surface rights, taxes & tenure fees	1,128,050	165,590	1,293,640	(2,761)	1,290,879
Road repairs	34,105	-	34,105	-	34,105
Studies and other consulting	1,488,618	545,152	2,033,770	127,544	2,161,314
Subcontractors	1,269,366	-	1,269,366	-	1,269,366
Supplies	566,778	68,665	635,443	3,674	639,117
Sustainable development	29,501	923	30,424	(925)	29,499
	14,122,956	4,277,269	18,400,225	789,704	19,189,92
Exchange rate differences	(1,172,528)	(432,225)	(1,604,753)	1,323,881	(280,872)
	$ 73,460,048	$ 4,270,718	$ 77,730,766	$ 2,133,240	$ 79,864,006

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.

4. THE ROCIN RIVER HYDROLECTRIC 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"). 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.

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 December 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.

In 2017, Rocin and Icafal terminated the Agreement, and all studies and work performed by Icafal or by third parties retained by Icafal to the termination date were transferred to Rocin. These studies and work were transferred at no cost to Rocin, with the exception of the reimbursement of $39,744, which represented approximately 19.8% of the work performed towards the environmental study as of the termination date. The termination of the Agreement provides that if any of the studies prepared by third parties are used by Rocin in the development of the Hydroelectric Facility, then Rocin shall reimburse Icafal the cost paid by Icafal to the third party of such study once the Hydroelectric Facility is in operation. The determination of whether a study should be reimbursed shall be made by Rocin at its sole discretion.

(Expressed in Canadian Dollars)

5. 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. $5,346,422 was allocated to common shares and $2,693,578 was allocated to share equity reserve.

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, 2017, or during the quarter ended December 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 December 31, 2017, the weighted average exercise price of options outstanding was $0.50 (September 30, 2017: $0.50) and their weighted average remaining contractual life was 1.85 years (September 30, 2017: 2.10 years).

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.

(Expressed in Canadian Dollars)

5. EQUITY (continued)

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

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

6. RELATED PARTY TRANSACTIONS

a) Trading Transactions

The Company's related parties consist of companies controlled by a Company director, the Company's Chairman, the Company's President and Chief Executive Officer ("CEO") and 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 three months ended December 31,			
		2017		2016
Management and consulting fees	$	85,630	$	88,462
Geological fees		28,707		30,218
Directors' fees		5,000		5,000
	$	119,337	$	123,680

Included in trade and other payables as at December 31, 2017 is $75,600 (September 30, 2017: $56,700) owing to related parties.

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

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (continued)

b) Key Management Compensation

The remuneration of members of key management during the quarters ended December 31, 2017 and 2016 is as follows:

	For the three months ended December 31,			
		2017		2016
Management, consulting and geological fees	$	114,337	$	118,680

7. SEGMENTED INFORMATION

At December 31, 2017, 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

	Three months ended December 31,			
		2017		2016
Net (loss) profit				
Mineral exploration	$	(1,160)	$	(6,574)
Hydroelectric project		36,098		20,346
Corporate		(169,760)		(22,043)
	$	(134,822)	$	(8,271)

		December 31, 2017		September 30, 2017
Assets				
Mineral exploration	$	80,028,188	$	78,442,895
Hydroelectric project		8,250,725		8,250,787
Corporate		603,889		1,411,804
	$	88,882,802	$	88,105,486

(Expressed in Canadian Dollars)

7. SEGMENTED INFORMATION (continued)

Geographic segments

		Three months ended December 31, 2017		2016
Net(loss) profit				
Canada	$	(169,760)	$	(22,043)
Chile		34,938		13,772
	$	(134,822)	$	(8,271)

		December 31, 2017		September 30, 2017
Assets				
Canada	$	603,889	$	1,460,852
Chile		88,278,913		86,644,634
	$	88,882,802	$	88,105,486

8. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing activities

At December 31, 2017, net exploration costs included in accounts payable and accrued liabilities were $514,839 (September 30, 2017: $920,931).

		Three months ended December 31, **2017**		2016
Cash received for interest	$	7,162	$	10

9. COMMITMENTS AND CONTINGENCIES

Compañía Minera Vizcachitas Holding ("CMVH"), a wholly-owned subsidiary of Los Andes 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, currently extended to June 30, 2018. The share of basic rent commitments for the remaining term of the contract is approximately $27,034.

In 2017, CMVH received a notification from Chile's Environmental Superintendence ("SMA") for alleged infractions resulting from CMVH's failure to obtain an RCA (Chilean environmental license) for the drill campaign undertaken by CMVH in 2015-2016 and 2017. 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 pursued the steps necessary to defend CMVH's interests and on December 29, 2017, the SMA issued a resolution accepting the plan proposed by CMVH. Pursuant to the plan, CMVH is required to incur expenditures totalling approximately $267,000 for vegetation enrichment, construction of stone walls, preparation and processing of environmental approval package and professional fees. CMVH expects to incur these expenditures within the 2018 and 2019.