LOS ANDES COPPER Ltd.

LOS ANDES COPPER LTD.
Management's Discussion and Analysis (“MD&A”)
For the Three Months Ended December 31, 2019

All figures expressed in Canadian Dollars except where noted

The following discussion and analysis of the results of operations and financial position of Los Andes Copper Ltd. (“Los Andes”) together with its subsidiaries (collectively, the “Company”), is prepared as of March 2, 2020 and should be read in conjunction with the Company’s condensed interim consolidated financial statements for the three months ended December 31, 2019 (“Q1-2020”) and the Company’s audited consolidated financial statements and related notes for the year ended September 30, 2019 (“fiscal 2019”).

The financial information presented herein is expressed in Canadian dollars, except where noted.

The Company’s financial statements are reported under International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”).

Company Overview

Los Andes is a Canadian exploration and development company focused on the acquisition, exploration and development of advanced stage copper deposits in Latin America. The Company owns 100% of the Vizcachitas copper, molybdenum and silver porphyry project, located 120 km north of Santiago, Region V, Chile.

The Vizcachitas copper resource is comprised of 11.2 billion pounds measured and indicated and 5.9 billion pounds inferred. It is one of the largest undeveloped copper projects in South America not controlled by majors.

Los Andes is listed on the Toronto Venture Exchange under the ticker *LA*.

Los Andes also has ownership 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 run-of-river hydroelectric power generation facility (the “Hydroelectric Facility”) on the Rocin River.

Overall Performance

During the period ended December 31, 2019, the Company had a net loss of $297,564 or $nil per share, compared to earnings of $84,656 or $nil per share in the quarter ended December 31, 2018.

At December 31, 2019, the Company has a cash balance of $476,015 (September 30, 2019: $1,390,162) and working capital of $9,544,723 (September 30, 2019: $640,631).

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 Concession");

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 "Initial Properties".

At December 31, 2019, all the Initial Properties are subject to NSR royalties of 2% on any surface production and 1% on any underground production.

On December 3, 2019, the Company entered into Royalty Purchase Agreement ("RPA") and Net Smelter Returns Royalty ("RA") Agreements, (together the "Agreements"), with RCF VI CAD LLC ("RCF"), a limited liability corporation in the State of Delaware.

Pursuant to the Agreements, the Company will receive US$8 million (approximately $10,500,000), as consideration for payments calculated on the bases of a production royalty ("Royalty") from minerals produced from the SJ Concession that forms part of the Company's Vizcachitas Property. Of this amount, US$500,000 ($658,475) was received on closing, the remaining payment schedule is as follows:

1) US1,000,000 to be paid on registration of the documentation in Chile (received subsequent to December 31, 2019)
2) US1,625,000 payable on March 31, 2020;
3) US1,625,000 payable on June 30, 2020;
4) US1,625,000 payable on September 30, 2020; and
5) US1,625,000 payable on December 31, 2020;

The Company has recorded the proceeds as a cost recovery of unproven mineral rights interests.

The obligations of the Company under the Agreements are guaranteed by the Company's subsidiary Sociedad Legal Minera San Jose Uno de lo Vicuna, El Tartaro y Piguchen de Putaendo (the "Guarantor") pursuant to a guarantee and a mortgage registered in Chile in favour of RCF, subject to existing obligations of the Company and the Guarantor.

Pursuant to the RA, the Company will make payments to RCF corresponding to an NSR of 0.49% for underground production and 0.98% for open pit production on the SJ Concession. Following this transaction, the overall NSR level of the Initial Properties, including the SJ Concession, covering the mineral resources of the Vizcachitas Property is 2% for open pit mining methods and 1% for underground mining methods.

The Company will use the proceeds of this transaction to advance the pre-feasibility and the baseline for the environmental approval package of the Vizcachitas Property.

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, 2019, TBML owns a total of 143,736,144 or approximately 52.9% of the common shares of the Company (see **Rocin River Hydroelectric Project**). TBC is the controlling shareholder of TBML, and TBC no longer has direct ownership of any of the Company's common shares.

As of December 31, 2019, the Company owns 52 exploitation mining concessions covering 10,771 hectares and 161 exploration claims covering a combined total of 45,500 hectares (including the Initial Properties).

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. At December 31, 2019, the Company held 100% of the issued and outstanding shares of the Rocin Subsidiary.

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, except for 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.

Vizcachitas Project Description

The Vizcachitas Property includes a porphyry copper-molybdenum deposit that offers potential for a low strip, open pit operation in an area of low elevation with excellent infrastructure, including water and power in central Chile. The Vizcachitas deposit occurs in the same metallogenic belt as the large copper- molybdenum porphyries Rio Blanco-Los Bronces, Los Pelambres-El Pachon and El Teniente.

On June 5, 2019, the Company filed an updated Preliminary Economic Assessment (PEA) and a new resource estimate on the Vizcachitas Project. This PEA included all the drilling results from the 2015-2017 drilling campaigns and the results of this study showed a significant improvement in both the mineral resources and the project economics when compared to the 2014 PEA.

The PEA was prepared by Tetra Tech Chile S.A. The PEA can be accessed under the Company's www.sedar.com profile, and the PEA and additional information about the Vizcachitas project are available on the Company's website at www.losandescopper.com.

The PEA considered an open pit mine and concentrator plant that produces copper and molybdenum concentrates. The PEA evaluated three cases with mill throughputs of 55 ktpd, 110 ktpd and 200 ktpd. The 110 ktpd case has been recommended to advance into pre-feasibility. This case not only delivers the best economic results, with an After-Tax NPV 8% of US$ 1.8 billion, an IRR of 20.77% and a payback period of 3.4 years, but also optimizes the mining and technical aspects for a mineral deposit of the size of Vizcachitas.

The PEA demonstrated that the 110 ktpd case project has an After-Tax NPV 8% of US$ 1.8 billion and IRR of 20.77% at US$ 3.00/lb Copper. A Payback period of 3.4 years from initial operations; 5.4 years from initial construction 45-year mine life. The C1 Cash Cost (net of by-product credits) of US$ 1.36/lb for first 8 years of operation; US$ 1.58/lb for LOM. The mineral resources increased to 1,284 million tonnes of Measured and Indicated Resources with a 0.45% CuEq grade and 0.40% Cu grade (at 0.25% Cu cut-off grade). The Measured Resources are 46% of the projected mill feed for the first 10 years of operation for the recommended case.

The highlights from the PEA are summarised in the table below.

Key Economic Indicators				
Description	Unit	55 ktpd	110 ktpd	200 ktpd
After-Tax Net Present Value - 8%	kUSD	931,120	1,797,425	2,198,359
After-Tax IRR	%	16.90%	20.77%	17.37%
Initial Capex	kUSD	1,300,034	1,874,797	2,823,469
C1 Cash Cost w/Mo-Ag Credits (First 8 years operation)(*)	USD/lb	1.30	1.36	1.44
Payback Period from operation (*)	Years	4.3	3.4	4.4
Payback Period from construction (**)	Years	6.3	5.4	6.4

(*) Referred to the first year of mill production

(**) Referred to the beginning of construction

Payback period calculated with nominal cash flows

The Vizcachitas Project is a mineralized copper-molybdenum porphyry system associated with a complex of hydrothermal breccias and porphyries within Miocene volcanic rocks. Five different drilling campaigns have been undertaken on the property from 1993 to date. A total of 165 diamond drill holes have been drilled, with a total of 52,256 m. The drilling carried out in 2015–2016 and 2017 confirmed the new geological models and showed the importance of the early diorite porphyry and hydrothermal breccias in controlling the higher-grade mineralization of the deposit. The new geological model also defined a near surface higher-grade supergene enriched mineralization outlining an area of 400 by 400 metres where all the drill holes have average supergene grades of greater than 0.5% Cu.

The mineral resources are contained within an open pit shell to demonstrate the prospects of eventual economic extraction. Only blocks within the Whittle pit shell are included in the mineral resources. The mineral resources are reported below.

Measured									
Cut-Off (Cu %)	Tonnage (Mt)	Cu (%)	Mo (ppm)	Ag (ppm)	CuEq (%)	Cu (Mlb)	Mo (Mlb)	Ag (Moz)	CuEq (Mlb)
0.15	282.33	0.415	116.3	1.22	0.464	2,583	72	11.1	2,888
0.20	270.80	0.426	118.4	1.24	0.475	2,543	71	10.8	2,836
0.25	254.40	0.439	119.2	1.26	0.489	2,462	67	10.3	2,743
0.30	221.85	0.463	118.2	1.30	0.513	2,264	58	9.3	2,509
0.35	180.95	0.495	117.4	1.35	0.546	1,975	47	7.9	2,178
0.40	140.40	0.531	117.0	1.42	0.582	1,644	36	6.4	1,801
0.45	101.73	0.574	115.9	1.50	0.625	1,287	26	4.9	1,402

Indicated									
Cut-Off (Cu %)	Tonnage (Mt)	Cu (%)	Mo (ppm)	Ag (ppm)	CuEq (%)	Cu (Mlb)	Mo (Mlb)	Ag (Moz)	CuEq (Mlb)
0.15	1,430.59	0.332	133.4	0.91	0.384	10,471	421	41.9	12,111
0.20	1,239.16	0.357	140.6	0.96	0.412	9,753	384	38.2	11,255
0.25	1,029.67	0.385	146.9	1.00	0.442	8,740	333	33.1	10,034
0.30	784.35	0.421	154.5	1.04	0.481	7,280	267	26.2	8,317
0.35	549.21	0.463	159.9	1.09	0.526	5,606	194	19.2	6,369
0.40	359.56	0.513	159.3	1.14	0.575	4,066	126	13.2	4,558
0.45	249.22	0.555	156.5	1.20	0.617	3,049	86	9.6	3,390

Inferred									
Cut-Off (Cu %)	Tonnage (Mt)	Cu (%)	Mo (ppm)	Ag (ppm)	CuEq (%)	Cu (Mlb)	Mo (Mlb)	Ag (Moz)	CuEq (Mlb)
0.15	1,635.15	0.264	111.4	0.76	0.308	9,517	402	40.0	11,103
0.20	1,252.87	0.294	118.3	0.82	0.340	8,121	327	33.0	9,391
0.25	788.82	0.337	127.0	0.88	0.386	5,861	221	22.3	6,713
0.30	486.94	0.381	135.6	0.96	0.434	4,090	146	15.0	4,659
0.35	255.39	0.436	144.1	1.03	0.493	2,455	81	8.5	2,776
0.40	135.60	0.497	138.5	1.11	0.553	1,486	41	4.8	1,653
0.45	70.89	0.567	140.6	1.31	0.625	886	22	3.0	977

Measured + Indicated									
Cut-Off (Cu %)	Tonnage (Mt)	Cu (%)	Mo (ppm)	Ag (ppm)	CuEq (%)	Cu (Mlb)	Mo (Mlb)	Ag (Moz)	CuEq (Mlb)
0.15	1,712.92	0.346	130.6	0.96	0.397	13,054	493	53.0	14,999
0.20	1,509.96	0.369	136.6	1.01	0.423	12,296	455	49.0	14,091
0.25	1,284.06	0.396	141.4	1.05	0.451	11,202	400	43.4	12,777
0.30	1,006.20	0.430	146.5	1.10	0.488	9,544	325	35.5	10,826
0.35	730.16	0.471	149.4	1.15	0.531	7,581	241	27.1	8,547
0.40	499.96	0.518	147.4	1.22	0.577	5,710	162	19.6	6,359
0.45	350.95	0.561	144.7	1.29	0.619	4,336	112	14.5	4,792

Notes

- *Copper equivalent grade has been calculated using the following expression: CuEq (%) = Cu (%) + 3.33 x Mo (%) + 82.6389 x Ag (%), using the metal prices: 3.00 USD/lb Cu, 10.00 USD/lb Mo and 17.00 USD/oz Ag. No allowance for metallurgical recoveries has been considered*
- *Small discrepancies may exist due to rounding errors.*
- *The quantities and grades of reported Inferred Mineral Resources are uncertain in nature and further exploration may not result in their upgrading to Indicated or Measured status.*
- *Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability*

The Vizcachitas Project has been the subject of several metallurgical test programmes to determine the process flow sheet and expected recoveries. The main conclusions of the test work programmes are that the results of the flotation tests showed both high grade copper concentrates and high recoveries of both copper and molybdenum are achievable. The results suggest that the rougher flotation recoveries are not significantly impacted by the P_{80} on the range analyzed and, on this basis, a coarser primary grind P_{80} of 240 µm is proposed. The results of the cleaner flotation tests indicated that three cleaner stages should be considered to achieve a high final concentrate grade. Based on the flotation tests, overall recoveries of 91% copper and 75% molybdenum can be expected.

As part of the PEA long-term mine plan study was conducted, which shows the production scenarios defined for the concentrator for each of the mill throughput cases. The mine plans are strategic and aimed at optimizing the cut-off grade profiles to obtain the best economic value. The analysis considered a wide array of mine capacity possibilities and the adjustment of stockpile cut-off grades.

The following table summarizes the material moved for each case, including miil feed, waste and the re-handling of stockpiles.

Case	Mine life (Years)	Mill feed (Mt)	Waste (Mt)	W/O (Ratio)	Total incl. rehandling (Mt)
55 ktpd	59	1,109	1,102	0.99	2,626
110 ktpd	45	1,665	2,170	1.31	4,263
200 ktpd	30	1,939	2,654	1.37	5,056

Capital cost estimates for the PEA were comprised of the following: direct cost of construction and assembly, indirect costs of project, contingency estimation based on direct cost, plus indirect cost, sustaining capital, deferred capital. After incorporating the recommended contingency, the capital cost estimate is considered to have a level of accuracy of +/-35%.

The following table summarizes the initial, sustaining and deferred capital requirements of the Vizcachitas Project for the different development cases.

Capital Cost Summary (Nominal values)

Direct Costs	Initial			Sustaining and Deferred		
	55 ktpd	110 ktpd	200 ktpd	55 ktpd	110 ktpd	200 ktpd
Diversion Rocin River	52,912	52,912	52,912	2,500	2,500	2,500
Access	29,731	29,731	23,557			
Concentrate Transport	29,932	29,932	29,932			
Pipeline Rocin-Chalaco			73,749			
General Facilities	32,746	35,000	40,754			
Operations Platform	29,820	35,145	76,680			
Mine	184,363	277,465	359,328	624,333	1,025,196	1,218,390
Plant	228,440	439,016	687,999			
Tailing Managment Facilities	152,290	173,057	230,639		98,250	
Water Reclaim System	2,926	3,653	4,430			
Water Supply System	35,844	47,382	62,132			
Power Supply System	88,125	124,539	168,597			
Total Direct Costs	**867,129**	**1,247,831**	**1,810,708**	**626,833**	**1,125,946**	**1,220,890**
Total Indirect Costs	**164,299**	**242,672**	**361,191**			
Contingency	**268,605**	**384,294**	**651,570**			
Total Capital Cost	**1,300,034**	**1,874,797**	**2,823,469**			

For the PEA the operating costs were estimated for the operating areas of Mining, Process Plant, Infrastructure and Administration. Costs were reported under subheadings related to the function of each of the areas identified. The operating cost estimates are based on long term power prices of US$ 45 /MWh and US$ 1.00 /l for diesel fuel. Based on the assumption listed in the PEA, the operating costs are considered to have an accuracy of ± 35%. All unitary operating costs are expressed in processed tonnes.

The following tables summarize the average unit operating cost by area for the Life-of-Mine (LOM).

Description	Case 55 ktpd	Case 110 ktpd	Case 200 ktpd
Mine (*)	3.59	4.40	4.72
Plant	5.11	4.92	4.70
Infrastructure	0.18	0.18	0.18
Administration	0.18	0.19	0.19
Total (USD/t)	**9.06**	**9.70**	**9.79**

(*) Mine costs include the strip ratio for the LOM

The PEA C-1 cash costs were calculated using the economic model cash flow forecast values including total operating costs, mining royalty and third party NSR cost, treatment costs, refining costs and transportation costs and revenue from molybdenum and silver.

To calculate the cash cost per pound of copper, total expenses (operating cost, NSR / royalty, and TCs, RCs, and transportation) less total revenue from molybdenum and silver were divided by the number of pounds of copper to be sold over the life of mine. The average life of mine cash cost is shown below.

Description	Unit	55 ktpd	110 ktpd	200 ktpd
Operating Costs	kUSD	10,097,016	15,268,600	17,469,645
NSR	kUSD	434,760	620,835	696,754
Royalty	kUSD	641,679	790,004	819,253
TC/RC	kUSD	1,958,779	2,785,373	3,123,334
Transportation	kUSD	727,768	1,034,882	1,160,448
Total Cash Cost w/o Credits	**kUSD**	**13,860,001**	**20,499,695**	**23,269,434**
Molybdenum and Silver Credit	kUSD	2,068,426	3,071,756	3,473,998
Total Cash Cost w/ Credits	**kUSD**	**11,791,575**	**17,427,938**	**19,795,437**
Total Copper to be Sold	Mlb	7,742,210	11,009,381	12,345,195
Life of Mine Cash Cost				
Average Cu Cash Cost w/o Mo-Ag Credit	**USD/lb**	**1.79**	**1.86**	**1.88**
Average Cu Cash Cost w/ Mo-Ag Credit	**USD/lb**	**1.52**	**1.58**	**1.60**

The PEA was authored by independent Qualified Persons and prepared in accordance with NI 43-101. The authors of the PEA were:

- Severino Modena, Tetra Tech, Member of Chilean Mining Commission
- José Luis Fuenzalida, Tetra Tech, Member of Chilean Mining Commission
- Mario Riveros, Tetra Tech, Member of Chilean Mining Commission

Antony J. Amberg, M.Sc., CGeol., a qualified person as defined by NI 43-101, supervised the preparation of the technical information in this MD&A.

	Total costs to September 30, 2018 $	Costs incurred in year ended Sept. 30, 2019 $	Total costs to Sept. 30, 2019 $	Costs incurred in quarter ended Dec. 31, 2019 $	Total Costs to December 31, 2019 $
VIZCACHITAS					
Acquisition costs	54,562,243	-	54,562,243	-	54,562,243
Water rights	5,945,768	-	5,945,768	-	5,945,768
VAT tax credits	2,352,063	126,885	2,478,948	40,904	2,519,852
Deferred exploration					
Automobile and travel	456,473	96,789	553,262	42,983	596,245
Assaying	628,226	56,661	684,887	3,068	687,955
Camp rehabilitation, maintenance and security	2,161,353	431,332	2,592,675	102,580	2,695,255
Core handling and storage	32,914	-	32,914	-	32,914
Drilling	5,355,087	19,911	5,374,998	-	5,374,998
Equipment and equipment rental	631,794	7,812	639,606	449	640,055
Exploration administration	3,358,046	1,274,400	4,632,446	426,205	5,058,651
Food and accommodation	366,087	14,867	380,954	2,405	383,359
Geological consulting (Note 7)	1,822,070	393,454	2,215,524	57,907	2,273,431
Other	85,663	13,419	99,082	2,148	101,230
Property & surface rights, taxes & tenure fees	1,465,143	206,483	1,671,626	11,499	1,683,125
Road repairs	34,105	13,451	47,556	-	47,556
Studies and other consulting	2,550,361	617,923	3,168,284	163,398	3,331,682
Subcontractors	1,269,366	-	1,269,366	-	1,269,366
Supplies	664,422	88,582	753,004	32,022	785,026
Sustainable development	29,501	-	29,501	-	29,501
Total Deferred exploration	**20,910,611**	**3,235,074**	**24,145,685**	**844,664**	**24,990,349**
Royalty agreement	-	-	-	(10,408,475)	(10,408,475)
Exchange rate differences	(1,566,324)	(2,433,914)	(4,000,238)	(866,306)	(4,866,544)
	82,204,361	**928,045**	**83,132,406**	**(10,389,213)**	**72,743,193**

Financial Review

The Company incurred a net loss of $297,564 or $0.00 per share in Q1-2020 (Q1-2019: earnings of $84,656 or $nil per share). The earnings of $84,656 in 2018 were a result of foreign exchange gains of $214,859.

The increase in loss for the period ended December 31, 2019 was primarily due to increased depreciation and interest expense associated with the adoption of IFRS 16, *Leases,* resulting in the Company capitalizing its office and warehouse leases. Additionally, the Company incurred additional professional fees of $49,573 (2018 - $6,996) as the Company pursued the RA Agreement.

During the three months ended December 31, 2018 the Company incurred hydro-electric project expenses of $1,400 (2018 - $1,579)

Under other comprehensive loss, the Company recorded a loss in respect of a foreign exchange translation allowance of $893,236 in Q1-2020 (Q1-2019: foreign exchange translation allowance of $87,056).

The Company incurred $885,568 in deferred exploration expenses, capitalized as unproven mineral right interests (2018: $857,624).

SUMMARY OF QUARTERLY RESULTS

The following table sets out financial information for the past eight quarters:

	Three Months Ended ($)			
	December 31, 2019	**September 30, 2019**	**June 30, 2019**	**March 31, 2019**
Net loss	(297,564)	(273,379)	(335,582)	(248,682)
Basic and diluted loss per share*	-	-	-	-

	Three Months Ended ($)			
	December 31, 2018	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
Net income (loss)	84,656	(1,633,784)	(264,113)	(185,209)
Basic and diluted loss per share*	-	(0.01)	-	-

* No exercise or conversion is assumed during the periods in which a loss is incurred, as the effect is anti-dilutive.

Liquidity and Capital Resources

As at December 31, 2019 the Company had cash and cash equivalents of $476,015 and working capital of $9,544,723 compared to cash and cash equivalents of $1,390,162 and working capital of $640,631 at September 30, 2019.

The Company relies on equity placements to fund operations and its exploration program and from time to time has also borrowed funds to support working capital requirements.

During the three months ended December 31, 2019 the Company received US$500,000 ($658,475) pursuant to the RA Agreements.

Transactions with Related Parties

As at December 31, 2019, the Company's related parties consist of companies controlled by the Company's President and Chief Executive Officer ("CEO"), the Company's former Chairman, the Company's Chief Financial Officer ("CFO") and a Company director.

	Nature of Transaction
Sociedad Cartografica Limitada	Geological Consulting
Mineral Consulting Services Ltd.	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 the consideration determined and agreed to by the related parties.

	Three months ended December 31,	
	2019	**2018**
	$	**$**
Management & Consulting fees and salaries	119,295	87,726
Geological fees	53,417	59,772
Directors' fees	3,750	5,000
	176,462	152,448

Included in trade and other payables as at December 31, 2019 is $89,667 (December 31, 2018: $151,200) owing to related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

The remuneration of members of key management during the three months ended December 31, 2019 and 2018 is as follows:

	Three months ended December 31,	
	2019	**2018**
	$	**$**
Management & Consulting fees and salaries	162,924	147,448
	162,924	147,448

Accounting Policies

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended September 30, 2019 except as described below:

IFRS 16 *Leases*

The Company adopted all of the requirements of IFRS 16 Leases ("IFRS 16") as of October 1, 2019. IFRS 16 replaces IAS 17 Leases ("IAS 17"). IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company has adopted IFRS 16 using the modified retrospective application method, where the 2019 comparatives are not restated and a cumulative catch up adjustment is recorded on October 1, 2019 for any differences identified, including adjustments to opening retained earnings balance.

The following is the Company's new accounting policy for leases under IFRS 16: Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

OUTSTANDING SHARE DATA

Authorized: Unlimited common shares without par value

All share information is reported as of March 2, 2020, in the following table:

Type of Security	**Number**
Issued and outstanding common shares	271,658,136
Exercisable Stock options with a weighted average exercise price of $0.50	1,575,000
Warrants with a weighted average exercise price of $0.50	13,400,000
Total	286,633,136

FORWARD-LOOKING INFORMATION

The Company's condensed interim consolidated financial statements for the three months ended December 31, 2019, and this accompanying MD&A, contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations up to the date of the MD&A.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms acceptable to the Company and the ability of third-party service providers to deliver services in a timely manner. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" as disclosed elsewhere in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by securities law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

RISKS AND UNCERTAINTIES

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

Financial risks include commodity prices and interest rates all of which are beyond the Company's control. Additional financial risks are the Company's ability to raise capital and to repay indebtedness it incurs.

Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

The Company has no significant source of operating cash flow and no revenues from operations. External financing, primarily through the issuance of common shares is the main source of funding for the Company. Although the Company has been successful in raising the necessary funds in the past, there can be no assurance that it will be able to do so in the future.

DISCLOSURE OF CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements for the three months ended December 31, 2019 and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109 the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at www.sedar.com.

Additional information is available on the Company's website at www.losandescopper.com.To view the public documents of the Corporation, please visit the Corporation's profile on the SEDAR website at www.sedar.com.