



News Release

June 25, 2020
N.R. 2020-05

LOS ANDES COPPER LTD. ANNOUNCES SALE OF ROYALTY ON VIZCACHITAS PROJECT

Vancouver, British Columbia--(Newsfile Corp. – June 25, 2020) - Los Andes Copper Ltd. (TSXV: LA) ("Los Andes", or the "Company") is pleased to announce that it has sold a net smelter return ("NSR") royalty to Resource Capital Fund VI L.P ("RCF VI") for a total price of US\$14 million (the "Royalty"). The Royalty is calculated over the sale of all locatable minerals produced from the Santa Teresa 1/60, Santa Maria 1/60 and San Cayetano 1/20 exploitation concessions (the "Concessions") that form part of the Company's Vizcachitas Project in Chile (the Vizcachitas Project"). Under the Royalty, RCF VI will receive a 2.00% NSR for open pit operations and a 1.00% NSR for underground operations.

Highlights

- RCF VI to pay US\$9 million for the Royalty in instalments and an additional contingent payment of up to US\$5 million by RCF (the "Contingent Royalty Payment") if RCF VI were to sell the Royalty prior to commencement of commercial production. Upon commencement of commercial production, any unpaid balance of the US\$5 million Contingent Royalty Payment will be deducted from the initial royalties payable.
- The financing will primarily be used to fund the purchase of an existing royalty (the "Existing Royalty") previously granted on the Vizcachitas Project by the Company's indirect, wholly owned subsidiary, as described further below.

Fernando Porcile, Executive Chairman of Los Andes, commented:

"I am delighted to announce the completion of this NSR royalty agreement which highlights the continued support from RCF VI for the Vizcachitas Project. It places the Company in a strong position to continue successfully developing the Vizcachitas Project.

"With a number of work streams currently underway, or due to commence shortly, I look forward to keeping the market updated with further progress."

Existing Royalty Purchase

The Company, through its indirect wholly-owned subsidiary, Gemma Properties Group Ltd. (“Gemma”), has entered into a 30-month option to purchase an existing royalty applied to the sale of all locatable minerals produced from the Santa Teresa 1/60, Santa Maria 1/60, San Cayetano 1/20, Tigre 1/30 and Huemul 1/40 exploitation concessions that form part of the Company's Vizcachitas Project whereby a 2.00% NSR for open pit operations and 1.00% NSR for underground operations is payable (the “Existing Royalty Purchase Agreement”). The total purchase price under the Existing Purchase Price Agreement varies between US\$6.8 million and \$7.6 million, depending on the date of exercise of the option. Gemma has made an initial option payment of US\$1 million upon execution of the Existing Royalty Purchase Agreement, with the following subsequent option amounts payable as follows:

- an additional US\$5.8 million on the date which falls 12 months of the date of the Existing Royalty Purchase Agreement (in which case the total option price would be US\$6.8 million); or
- at the option of Gemma, an additional US\$2.5 million on the date which falls 12 months from the date of the Existing Royalty Purchase Agreement along with an additional (a) US\$3.6 million on the date which falls 24 months from the date of the Existing Royalty Purchase Agreement (in which case the total option price would be US\$7.1 million); or (b) US\$2.3 million on the date which falls 24 months from the date of the Existing Royalty Purchase Agreement along with an additional US\$1.8 million on the date which falls 30 months from the date of the Existing Royalty Purchase Agreement (in which case the total option price would be US\$7.6 million).

For more information please contact:

Fernando Porcile, Executive Chairman

Tel: +56 2 2954-0450

Antony J. Amberg, President & CEO

Tel: +56 2 2954-0450

Blytheweigh, Financial PR

Tel: +44 207 138 3203

Megan Ray

Rachael Brooks

E-Mail: info@losandescopper.com or visit our website at:
www.losandescopper.com

Follow us on twitter [@LosAndesCopper](https://twitter.com/LosAndesCopper)

Follow us on LinkedIn [Los Andes Copper Ltd](https://www.linkedin.com/company/LosAndesCopperLtd)

About Los Andes Copper Ltd.

Los Andes Copper Ltd. is an exploration and development company with an 100% interest in the Vizcachitas Project in Chile. The Company is focused on progressing the Project, which is located along Chile's most prolific copper belt, into production.

The Project is a copper-molybdenum porphyry deposit, located 120 km north of Santiago, in an area of very good infrastructure. The Company's Preliminary Economic Assessment (the "PEA"), delivered in June 2019, highlights that the Project has a post tax NPV of \$1.8 billion and an IRR of 20.77%, based on a \$3 per pound copper price. It also has a Measured Resources of 254.4 million tonnes having a grade of 0.439% copper and Indicated Resource of approximately 1.03 billion tonnes having a grade of 0.385% copper. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Please refer to the technical report dated June 13, 2019, with an effective date of May 10, 2019 and titled "Preliminary Economic Assessment of the Vizcachitas Project", prepared by Tetra Tech.

The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

Additionally, there is significant exploration upside at Vizcachitas with potential to increase the resource base beyond the initial 45-year mine life modeled in the PEA.

Los Andes Copper Ltd. is listed on the TSX-V under the ticker: LA.

Qualified Person

Antony Amberg, the Company's President and CEO is the qualified person who has reviewed and approved the scientific and technical information contained in this news release.

Certain of the information and statements contained herein that are not historical facts, constitute "forward-looking information" within the meaning of the Securities Act (British Columbia), Securities Act (Ontario) and the Securities Act (Alberta) ("Forward-Looking Information"). Forward-Looking Information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend"; statements that an event or result is "due" on or "may", "will", "should", "could", or "might" occur or be achieved; and, other similar expressions. More specifically, Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information; including, without limitation, the achievement and maintenance of planned production rates, the evolving legal and political policies of Chile, the volatility in the Chilean economy, military unrest or terrorist actions, metal and energy price fluctuations, favourable governmental relations, the availability of financing for activities when required and on acceptable terms, the estimation of mineral resources and reserves, current and future environmental and regulatory requirements, the availability and timely receipt of permits, approvals and licenses, industrial or environmental accidents, equipment breakdowns, availability of and competition for future acquisition opportunities, availability and cost of insurance, labour disputes, land claims, the inherent uncertainty of production and cost estimates, currency fluctuations, expectations and beliefs of management and other risks and uncertainties, including those described in Management's Discussion and Analysis in the Company's financial statements. Such Forward-Looking Information is based upon the Company's assumptions regarding global and Chilean economic, political and market conditions and the price of metals and energy, and the Company's production. Among the factors that have a direct bearing on the Company's future results of operations and financial conditions are changes in project parameters as plans continue to be refined, a change in

government policies, competition, currency fluctuations and restrictions and technological changes, among other things. Should one or more of any of the aforementioned risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the Forward-Looking Information. Accordingly, readers are advised not to place undue reliance on Forward-Looking Information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Information, whether as a result of new information, future events or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.