LOS ANDES COPPER LTD.

Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

LOS ANDES COPPER LTD.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company and all information contained in the report have been prepared by and are the responsibility of the Company's management.

The Audit Committee of the Board of Directors has reviewed the condensed interim consolidated financial statements and related financial reporting matters.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

LOS ANDES COPPER LTD.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	March 31, 2021	September 30, 2020
		$	$
Assets			
Current Assets			
Cash and cash equivalents		3,292,311	3,992,856
Receivables	**4**	3,809	2,269,940
Prepaid expenses and deposits		156,730	142,549
		3,452,850	6,405,345
Non-Current Assets			
Property, plant and equipment	**10**	195,024	238,023
Unproven mineral right interests	**5**	77,835,360	74,804,725
Hydro-electric project water rights	**5**	8,250,000	8,250,000
		86,280,384	83,292,748
Total Assets		89,733,234	89,698,093
Liabilities			
Current Liabilities			
Trade payables and other liabilities	**7**	474,925	856,642
Lease liability short term	**10**	123,336	99,040
		598,261	955,682
Non-Current Liabilities			
Lease liability long term	**10**	44,781	125,644
Deferred income tax		9,224,616	9,224,616
		9,269,397	9,350,260
Total liabilities		9,867,658	10,305,942
Shareholders' Equity			
Share capital	**6**	103,368,850	103,368,850
Reserve	**6**	7,488,619	7,477,039
Deficit		(26,530,715)	(25,621,184)
Accumulated other comprehensive loss		(4,461,178)	(5,832,554)
Total equity		79,865,576	79,392,151
Total Liabilities and Shareholders' Equity		89,733,234	89,698,093

Nature of operation and continuance of business (Note 1)

Approved by the Board of Directors on May 26, 2021:

"Frank O'Kelly"	*"Francisco Covarrubias"*
Director	Director

LOS ANDES COPPER LTD.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and six months ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended March 31 2021	2020	Six months ended March 31 2021	2020
		$	$	$	$
Expenses					
Consulting, salaries, management and directors' fees	**7**	102,235	117,594	206,117	240,639
Depreciation	**10**	29,768	31,738	60,273	69,581
Interest	**10**	5,849	6,050	12,766	20,565
Office and administration		20,191	2,948	35,172	20,181
Professional fees	**7**	39,384	92,754	79,556	142,327
Shareholder communications		63,050	33,063	125,569	56,414
Share-based compensation	**6, 7**	5,790	12,416	11,580	24,832
Transfer agent, filing and regulatory fees		36,239	33,530	40,034	40,899
		302,506	330,093	571,067	615,438
Hydro-electric Project					
Professional fees		290	1,372	1,783	2,772
Project supplies and expenses		89	42	89	42
		379	1,414	1,872	2,814
Loss before other items		**(302,885)**	**(331,507)**	**(572,939)**	**(618,252)**
Other Items					
Foreign exchange gain (loss)		(209,883)	45,175	(336,592)	34,356
Interest		-	3,285	-	3,285
		(209,883)	48,460	(336,592)	37,641
Net loss		**(512,768)**	**(283,047)**	**(909,531)**	**(580,611)**
Other comprehensive loss					
Items that may be reclassified to profit or loss					
Current translation adjustment		(635,625)	(2,036,501)	1,371,376	(2,929,737)
Total comprehensive (loss) income for the period		**(1,148,393)**	**(2,319,548)**	**461,845**	**(3,510,348)**
Loss per share, basic and diluted		(0.02)	(0.01)	(0.03)	(0.02)
Weighted average number of shares outstanding		27,165,843	27,165,843	27,165,843	27,165,843

LOS ANDES COPPER LTD.
Condensed Interim Consolidated Statements of Changes in Equity
For the six months ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

	Common Shares	Share Capital	Equity reserve[1]	Accumulated other comprehensive income	Deficit	NCI	Total
	#	$	$	$	$	$	$
Balance, September 30, 2019	**27,165,843**	**103,368,850**	**7,351,119**	**(3,821,173)**	**(23,641,496)**	**73,600**	**83,330,900**
Share-based compensation	-	-	24,832	-	-	-	24,832
Repurchase of subsidiary shares	-	-	-	-	(92,624)	(73,600)	(166,224)
Net loss	-	-	-	-	(580,611)	-	(580,611)
Current translation adjustment	-	-	-	(2,929,737)	-	-	(2,929,737)
Balance, March 31, 2020	**27,165,843**	**103,368,850**	**7,375,951**	**(6,750,910)**	**(24,314,731)**	**-**	**79,679,160**
Share-based compensation	-	-	101,088	-	-	-	101,088
Net loss	-	-	-	-	(1,306,453)	-	(1,306,453)
Current translation adjustment	-	-	-	918,356	-	-	918,356
Balance, September 30, 2020	**27,165,843**	**103,368,850**	**7,477,039**	**(5,832,554)**	**(25,621,184)**	**-**	**79,392,151**
Share-based compensation	-	-	11,580	-	-	-	11,580
Net loss	-	-	-	-	(909,531)	-	(909,531)
Current translation adjustment	-	-	-	1,371,376	-	-	1,371,376
Balance, March 31, 2021	**27,165,843**	**103,368,850**	**7,488,619**	**(4,461,178)**	**(26,530,715)**	**-**	**79,865,576**

[1] Reserve consists of fair values of stock options and finder's warrants

LOS ANDES COPPER LTD.
Condensed Interim Consolidated Statements of Cash Flows
For the three and six months ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

	2021	2020
	$	$
Cash provided by (used in):		
Operating activities		
Net loss	(909,531)	(580,611)
Items not affecting cash:		
Depreciation	60,273	69,581
Share-based compensation	11,580	24,832
Changes in non-cash working capital items:		
Prepaid expenses and deposits	(14,181)	(5,279)
Receivables	2,266,131	(10,430)
Trade payables and other liabilities	(381,717)	(144,798)
Net cash used in operating activities	1,032,555	(646,705)
Investing activities		
Purchase of property, plant and equipment	(2,544)	-
Unproven mineral right interests	(1,860,234)	(2,063,372)
Repurchase of subsidiary shares	-	(166,224)
Royalty purchase agreement	-	4,051,032
Net cash provided by (used in) investing activities	(1,862,778)	1,821,436
Financing activity		
Repayment of lease liability	(56,948)	(34,001)
Net cash used in financing activity	(56,948)	(34,001)
Change in cash for the period	(887,171)	1,140,730
Effect of exchange rate changes on cash	186,626	265,006
Cash, beginning of period	3,992,856	1,390,162
Cash, end of period	3,292,311	2,795,898

See Note 9 for supplemental cash flow information.

1. NATURE OF OPERATION AND CONTINUANCE OF BUSINESS

Los Andes Copper Ltd. ("Los Andes") is involved in the acquisition, exploration and development of advanced copper deposits in Latin America, including holding a 100% interest in the Vizcachitas copper project in Chile.

Los Andes was incorporated under the Business Corporations Act (British Columbia) in 1983 and is listed on the TSX Venture Exchange (“TSX-V”) under the symbol “LA”. Its principal office is located at Suite 880-580 Hornby Street, Vancouver, B.C. V6C 3B6, Canada.

These condensed interim consolidated financial statements include the accounts of Los Andes and of its controlled subsidiaries (collectively, the “Company”): Vizcachitas Limited, Compañía Minera Vizcachitas Holding, Sociedad Legal Minera San José Uno de Lo Vicuña El Tártaro y Piguchén de Putaendo (“San José SLM"), Gemma Properties Group Limited, Inversiones Los Patos S.A, DK Corporation, Rocín SPA, Hidroeléctrica de Pasada Rio Rocín SPA and Sociedad Los Juncos de la Unión SPA. During the year ended September 30, 2020, the Company acquired the remaining 0.95% interest in Hidroeléctrica de Pasada Rio Rocín SPA for $166,224 and the difference between the cost base and consideration paid was recognized as a direct charge to equity. As at March 31, 2021 the Company holds a 100% interest in Hidroeléctrica de Pasada Rio Rocín SPA.

At the date of these condensed interim consolidated financial statements the Company has not yet determined whether any of its mineral right interests contain mineral reserves that are economically recoverable. Accordingly, the carrying amount of its mineral right interests represents the cumulative acquisition costs and exploration expenditures incurred to date, which does not necessarily reflect present or future values. The recovery of these costs is dependent on the discovery of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to undertake continuing exploration and development, and to resolve any environmental, regulatory or other constraints.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes 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.

Notwithstanding the above, the Company’s business activities are in the development stage, the Company has a history of recurring losses and no source of revenue or operating cash flow. Operations in recent years have been funded from the issuance of share capital, and cash on hand.

Given its current stage of operations, the Company’s ability to continue as a going concern is contingent on its ability to continue to obtain additional financing. In the event the Company is unable to raise adequate financing or meet its current obligations, the carrying value of the Company’s assets could be subject to material adjustments.

On March 11, 2020, the World Health Organization (“WHO”) declared coronavirus COVID-19 a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures will have a significant, negative effect on the economy of all nations for an undeterminable period of time, the extent of which is also uncertain.

These condensed interim consolidated 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.

These condensed interim consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 26, 2021 and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2020, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended September 30, 2020.

These condensed interim consolidated financial statements have been prepared on an accrual basis and are based on the historical cost basis and modified where applicable.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

For full details on the critical accounting estimates and judgements affecting the Company, please refer to the Company's annual consolidated financial statements and notes for the year ended September 30, 2020.

4. THE VIZCACHITAS PROPERTY

In 2007, the Company acquired all of the issued and outstanding shares of Vizcachitas Limited which at the time owned, a majority of the claims making up the Vizcachitas Property. Vizcachitas Limited owned 51% of the shares of San José SLM which owned the San José mining concessions (the "SJ Concession") and an additional 35 mining rights and concessions (the "Initial Properties") that comprised part 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 ("Gemma"), 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.

At March 31, 2021, the Company owns 52 exploitation mining concessions covering 10,771 hectares and 173 exploration claims covering a combined total of 49,000 hectares (including the Initial Properties) and is obligated to Net Smelter Returns ("NSR") royalty payments calculated on the basis of a production royalty from minerals produced at the Initial Properties of 2% on any surface production and 1% on any underground production.

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, 2021, TBML owns a total of 14,373,614 or approximately 52.9% of the common shares of the Company (Note 5). TBC is the controlling shareholder of TBML, and TBC no longer has direct ownership of any of the Company's common shares.

<u>Royalty Purchase Agreement</u>

On December 3, 2019, the Company entered into a Royalty Purchase Agreement (the "RPA") and a Net Smelter Returns Royalty Agreement (the "RA") with RCF VI CAD LLC ("RCF"), a limited liability corporation in the State of Delaware. Pursuant to the Agreements, the Company received US$8 million as consideration for future payments calculated on the basis of a production royalty ("Royalty") from minerals produced from the SJ Concession that forms part of the Company's Vizcachitas Property. The purchase price was received as follows:

- US$500,000 ($658,475) on December 13, 2019;
- US$1,000,000 ($1,168,590) on January 7, 2020;
- US$1,625,000 ($2,303,991) on March 30, 2020;
- US$812,500 ($1,103,757) on June 30, 2020;
- US$812,500 ($1,089,791) on July 31, 2020;
- US$1,625,000 ($2,158,895) on September 30, 2020; and
- US$1,625,000 ($2,238,125) on December 31, 2020.

The proceeds of $10,785,520 net of $80,024 in finder's fees and $309,335 in transaction expenses reimbursed to RCF have been accounted for as a recovery of costs incurred on the Vizcachitas Property (Note 5).

The Company will use the proceeds as described in the RPA budget, which includes the advancement of the pre-feasibility study and the baseline for the environmental approval package of the Vizcachitas Property. No material change can be made to the use of proceeds without the prior written consent of RCF.

As long as RCF (or its associates or affiliates) holds all or any part of the Royalty, or holds, directly or indirectly (including through TBML), common shares or securities convertible into common shares representing not less than 10% of the Company's issued and outstanding common shares (on a partially diluted basis), RCF has a right of first offer to provide future royalty or stream financing in relation to new claims that may subsequently form part of the Vizcachitas Property or in respect of claims currently forming part of the Vizcachitas Property where the Company or any of its affiliates has bought back all or part of a currently existing royalty, subject to the terms as described.

Pursuant to the RA, the Company will make payments to RCF on the basis of 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 obligations of the Company under the RA are guaranteed by the Company's subsidiary Sociedad Legal Minera San Jose Uno De Lo Vicuna, El Tartaro Y Piguchen De Putaendo (the "Guarantor"), with the guarantee being secured by a mortgage and charge over and against mining rights and mineral properties (as defined) and any related proceeds, governed by the laws of Chile and granted by the Guarantor in favour of RCF, subject to existing obligations of the Company and the Guarantor.

<u>Existing Royalty Purchase Agreement</u>

On May 15, 2020, the Company entered into a Contract of Promise of Sale (the "Existing Royalty Purchase Agreement" or "ERPA") with a group of individuals in Chile to purchase the existing royalty applied to the sale of all locatable minerals produced from certain concessions that form part of the Initial Properties for a purchase price ranging from US$6,800,000 to US$7,600,000. The purchase price is payable as follows:

- US$1,000,000 ($1,363,360) paid on May 15, 2020; and at the option of the Company:
    - US$5,800,000 by May 15, 2021 for a purchase price of US$6,800,000; or
    - US$2,500,000 by May 15, 2021 and US$3,600,000 by May 15, 2022 for a total purchase price of US$7,100,000; or
    - US$2,500,000 by May 15, 2021, US$2,300,000 by May 15, 2022 and US$1,800,000 by November 15, 2022 for a total purchase price of US$7,600,000.

Second Royalty Purchase Agreement

On June 25, 2020, the Company entered into a Royalty Purchase Agreement ("RPA 2") with RCF and Vizcachitas Limited ("VL") and VL entered into a Net Smelter Returns Royalty Agreement ("RA 2") with RCF. Pursuant to RPA 2, the Company will receive US$9,000,000 as consideration for future payments calculated on the basis of a royalty of 2.00% NSR for open pit operations and a 1.00% NSR for underground operations from minerals produced from certain concessions that form part of the Initial Properties ("Royalty 2"). The Company can receive up to an additional US$5 million in the event that RCF sells Royalty 2 prior to commencement of commercial production of the Vizcachitas Property. The purchase price is receivable as follows:

- US$1,000,000 ($1,363,360) received on June 25, 2020;
- US$4,000,000 on or before the 15th business day prior to the first anniversary of the ERPA; and
- US$4,000,000 on or before the 15th business day prior to the second anniversary of the ERPA.

The Company will direct RCF to pay US$2.5 million and US$3.6 million of the second and third purchase price payments, respectively, into trust for payment to the specified payees on the second and third anniversary dates of the ERPA.

In the event that RCF sells Royalty 2 (other than by a sale or transfer to an affiliate of RCF) prior to RCF making the second and/or third purchase price payments, the due dates for the payments will be accelerated to the closing date of the RCF sale. The ERPA also stipulates that the due dates for any outstanding payments will be accelerated so that they are also due 15 business days after the closing date of the RCF sale.

In the event of an RCF sale prior to the commencement of commercial production of the Vizcachitas Project by VL or an affiliate, RCF will pay a contingent royalty purchase price as follows:

- if the resale price is equal to or less than US$9 million – US $Nil; or
- if the resale price is greater than US$9 million – the resale price less US$9 million plus a 10% annual return on each purchase price payment, accruing from the date of payment.

Provided that the amount paid will not exceed US$5 million and no amount is payable if the RCF resale follows the commencement of commercial production.

The Company will use the resale proceeds to make the payments required to complete the purchase of the royalty pursuant to the ERPA. Any excess proceeds from the US$9 million purchase price will go towards the development of the mineral properties (as defined) in consultation with RCF. No material change can be made to the use of proceeds without the prior written consent of RCF.

The Company will cancel the royalty in the ERPA within 60 days following the date the royalty is fully or partially purchased pursuant to the ERPA, and Royalty 2 will be the only existing royalty over the mineral properties.

The right of first offer to provide future royalty or stream financing as described in the RPA above applies to RPA 2.

Pursuant to RA 2, VL will make payments to RCF on the basis of an NSR of 1% from the sale or other disposition of all locatable minerals produced from the properties by underground production and 2% from surface production. VL is not required to pay the royalty until such time as the amount otherwise payable under the royalty exceeds the positive difference, if any, between US$5 million and any contingent royalty price paid by RCF.

If the mining operations of the Company and its affiliates commence in, or predominantly shift to, a different area of the project than that identified in the June 13, 2019 Preliminary Economic Assessment of the Vizcachitas Project, RFC has the option to:

- sell Royalty 2 to VL for an amount equal to four times the US$9 million purchase price less the aggregate amount of royalty payments received by RCF as of the date of the change of production focus; or
- if RCF has not yet received US$36 million, swap Royalty 2 for a new royalty consistent with the terms of RPA 2 over the newly proposed development areas at a valuation equal to the valuation of Royalty 2 (having regard to royalty payments made to such date).

The obligations of VL under RA 2 are guaranteed by the Company and CMVH (the “Guarantors”), with the guarantee being secured by a mortgage and charge over and against mining rights and mineral properties (as defined) and any related proceeds, governed by the laws of Chile and granted by CMVH in favour of RCF, subject to existing obligations of the Company and the Guarantor.

(Unaudited - Expressed in Canadian dollars)

5. UNPROVEN MINERAL RIGHT INTERESTS / HYDRO-ELECTRIC PROJECT WATER RIGHTS

The Company has the right to certain exploration concessions and 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, 2019	Costs incurred (recovered) in year ended September 30, 2020	Total costs to September 30, 2020	Costs incurred (recovered) in six months ended March 31, 2021	Total costs to March 31, 2021
	$	$	$	$	$
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	2,478,948	110,459	2,589,407	90,348	2,679,755
Deferred exploration					
Automobile and travel	553,262	71,735	624,997	15,713	640,710
Assaying	684,887	21,600	706,487	16,408	722,895
Camp rehabilitation, maintenance and security	2,592,675	466,228	3,058,903	199,838	3,258,741
Core handling and storage	32,914	-	32,914	-	32,914
Drilling	5,374,998	-	5,374,998	-	5,374,998
Equipment and equipment rental	639,606	2,564	642,170	-	642,170
Exploration administration	4,632,446	1,652,511	6,284,957	833,235	7,118,192
Food and accommodation	380,954	3,084	384,038	854	384,892
Geological consulting (Note 7)	2,215,524	161,803	2,377,327	83,553	2,460,880
Other	99,082	79,453	178,535	20,305	198,840
Property & surface rights, taxes & tenure fees	1,671,626	191,477	1,863,103	191,334	2,054,437
Road repairs	47,556	-	47,556	-	47,556
Studies and other consulting	3,168,284	1,428,952	4,597,236	351,235	4,948,471
Subcontractors	1,269,366	-	1,269,366	-	1,269,366
Supplies	753,004	93,338	846,342	57,411	903,753
Sustainable development	29,501	-	29,501	-	29,501
Total deferred exploration	**24,145,685**	**4,172,745**	**28,318,430**	**1,769,886**	**30,088,316**
RPA – SJ Concession (Note 4)	-	(10,364,213)	(10,364,213)	(31,948)	(10,396,161)
Exchange rate differences	(4,000,238)	(2,246,672)	(6,246,910)	1,202,349	(5,044,561)
	83,132,406	**(8,327,681)**	**74,804,725**	**3,030,635**	**77,835,360**

Included within unproven mineral right interests are:

a) Water rights to a permanent, continuous and consumptive use of 500 liters per second ("lps") flow from the Aconcagua River, located near the Vizcachitas Property,

b) VAT tax credits available in Chile, originating from deferred exploration expenses, and

c) 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"). Consideration for the acquisition consisted of 3,750,000, Los Andes shares, valued at a share price of $2.20, 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 March 31, 2021, 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 a 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.

6. EQUITY

a) Authorized

Unlimited number of common shares without par value

Effective August 26, 2020, the Company consolidated its issued and outstanding common shares on the basis of 10 pre-consolidation shares for one post-consolidation share. All references to share and per share amounts in these condensed interim consolidated financial statements have been retroactively restated to reflect the consolidation. As at March 31, 2021, the Company had 27,165,843 common shares issued and outstanding.

b) Financings

There were no share transactions during the six months ended March 31, 2021 and 2020.

c) Equity Reserve

Equity reserve consists of the accumulated fair value of common share options and share purchase warrants recognized as share-based compensation and share purchase warrants issued on acquisitions of unproven mineral rights.

(Unaudited - Expressed in Canadian dollars)

d) Share purchase options

The balance of share purchase options outstanding and exercisable as at March 31, 2021 and September 30, 2020 and the changes for the periods then ended is as follows:

	Number of Options #	Weighted Average Exercise Price $	Weighted Average Life Remaining (years)
Balance, September 30, 2019	**215,000**	**5.00**	**2.82**
Granted	37,000	5.00	4.99
Expired	(92,500)	5.00	
Balance, September 30, 2020	**159,500**	**5.00**	**3.69**
Balance, March 31, 2021	**159,500**	**5.00**	**3.19**
Unvested	(44,000)	5.00	3.44
Vested and exercisable*	**115,500**	**5.00**	**3.10**

The Company recorded share-based compensation expense of $11,580 during the six months ended March 31, 2021 (2020 - $24,832) related to the vesting of previously granted options.

The options outstanding as at March 31, 2021 are as follows:

Outstanding #	Exercisable #	Exercise Price $	Expiry Date
50,000	50,000	5.00	July 6, 2023
30,000	20,000	5.00	May 31, 2024
15,000	5,000	5.00	May 31, 2024
7,500	2,500	5.00	May 31, 2024
20,000	10,000	5.00	May 31, 2024
10,000	10,000	5.00	September 24, 2025
2,500	2,500	5.00	September 24, 2025
12,000	3,000	5.00	September 24, 2025
12,500	12,500	5.00	September 24, 2025
159,500	**115,500**	**5.00**	

e) Warrants

As at March 31, 2021 the Company has 1,340,000 (2020 – 1,340,000) warrants outstanding and exercisable. The warrants have a weighted average exercise price of $5.00. The warrants outstanding at March 31, 2021 are as follows:

Warrants #	Exercise Price $	Expiry Date
393,500	5.00	May 7, 2023
946,500	5.00	June 7, 2023
1,340,000	**5.00**	

(Unaudited - Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS

The Company's related parties consist of companies controlled by a Company director, the Company's President and Chief Executive Officer ("CEO"), the Company's current Chief Financial Officer ("CFO").

	Nature of Transaction
Sociedad Cartografica Limitada	Geological Consulting
Mineral Consulting Services Ltd.	Consulting
Kasheema International Ltd.	Management
Malaspina Consultants Inc.	Accounting

The Company incurred the following fees during the period in the normal course of operations with companies controlled by key management, including the Company's Chief Executive Officer, Chief Financial Officer, and/or directors. Transactions have been measured at the exchange amount, which is the consideration determined and agreed to by the related parties.

	Three months ended March 31		**Six months ended March 31**	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Management & Consulting fees and salaries	106,108	113,844	215,027	233,139
Geological fees	57,151	66,654	116,005	120,071
Directors' fees	5,250	3,750	9,000	7,500
	168,509	184,248	340,032	360,710

Included in trade and other payables as at March 31, 2021 is $42,156 (September 30, 2020 - $32,728) owing to related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

Key management compensation during the three and six months ended March 31, 2021 and 2020 is as follows:

	Three months ended March 31		**Six months ended March 31**	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Management & Consulting fees and salaries	163,259	197,786	331,032	360,710
	163,259	197,786	331,032	360,710

(Unaudited - Expressed in Canadian dollars)

8. SEGMENTED INFORMATION

At March 31, 2021 the Company has three reportable segments: mineral exploration, hydroelectric project and corporate, and has operations in two geographical areas, Canada and Chile.

Operating Segments

	Three months ended March 31 2021	Three months ended March 31 2020	Six months ended March 31 2021	Six months ended March 31 2020
	$	$	$	$
Net loss				
Mineral exploration	(3,076)	(18,392)	(7,858)	(34,463)
Hydroelectric project	(379)	(1,168)	(1,872)	(2,568)
Corporate	(509,313)	(263,487)	(899,801)	(543,580)
	(512,768)	**(283,047)**	**(909,531)**	**(580,611)**

	March 31, 2020	September 30, 2020
	$	$
Assets		
Mineral exploration	78,290,502	77,457,405
Hydroelectric project	8,250,000	8,250,000
Corporate	3,192,732	3,990,688
	89,733,234	**89,698,093**

Geographic Segments

	Three months ended March 31 2021	Three months ended March 31 2020	Six months ended March 31 2021	Six months ended March 31 2020
	$	$	$	$
Net loss				
Canada	(489,129)	(263,487)	(790,757)	(543,580)
Chile	(23,639)	(19,560)	(118,774)	(37,031)
	(512,768)	**(283,047)**	**(909,531)**	**(580,611)**

	March 31, 2021	September 30, 2020
	$	$
Assets		
Canada	3,192,732	6,260,627
Chile	86,540,502	83,437,466
	89,733,234	**89,698,093**

(Unaudited - Expressed in Canadian dollars)

9. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash investing and financing activities

At March 31, 2021:

- Net exploration costs included in trade payables and other liabilities were $340,581 (September 30, 2020: $447,723);
- Receivables of $nil (September 30, 2020: $2,238,125) were included in unproven mineral right interests; and
- Exchange rate differences of $1,202,349 (September 30, 2020: $2,246,672) were included in unproven mineral right interests.

Also see Note 10.

10. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

As at March 31, 2021, the Company was the lessee to three premises leases. The incremental rate of borrowing for these leases was estimated by management to be 12% per annum.

Right-of-use assets

As at March 31, 2021, the right-of-use assets recorded for the Company's premises were as follows:

	Premises **$**
As at September 30, 2019	**-**
IFRS 16 adoption	253,564
Prepaid lease payments	-
Depreciation	(108,832)
Foreign exchange	54,660
As at September 30, 2020	**199,392**
Depreciation	(56,637)
Foreign exchange	5,993
As at March 31, 2021	**148,748**

Lease liability

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

	March 31, 2021 **$**
Undiscounted minimum lease payments:	
Less than one year	137,444
Two to three years	46,015
	183,459
Effect of discounting	(15,342)
Present value of minimum lease payments	168,117
Less current portion	(123,336)
Long-term portion	44,781

(Unaudited - Expressed in Canadian dollars)

Lease liability continuity

The net change in the lease liability is as follows:

	Premises **$**
As at September 30, 2019	**-**
IFRS 16 adoption	253,564
Cash flows:	-
Principal payments	(99,040)
Non-cash changes:	-
Foreign exchange	70,160
As at September 30, 2020	**224,684**
Principal payments	(56,948)
Non-cash changes:	-
Foreign exchange	381
As at March 31, 2021	168,117

During the six months ended March 31, 2021, interest of $12,766 (2020 – $20,565) was paid.

11. SUBSEQUENT EVENT

Subsequent to March 31, 2021, the Company entered into an agreement with Queen's Road Capital Investment Ltd., whereby Queen's Road Capital will invest US$5,000,000 in the Company by the way of convertible debenture. The Convertible Debenture will have a five-year term, carry an eight percent coupon and will be convertible into common shares in the capital of the Company at a share price of C$10.82. The interest is payable quarterly, five percent in cash and three percent in shares, at the 20- day volume weighted average price prior to the interest payment date. The proceeds from this investment will be allocated towards the completion of the Vizcachitas project pre-feasibility study.

Subsequent to March 31, 2021, the Company received US$4,000,000 pursuant to the RPA2 with RCF and paid US$2,500,000 pursuant to the ERPA.