LOS ANDES COPPER Ltd.

LOS ANDES COPPER LTD.
Management's Discussion and Analysis ("MD&A")
For the Three and Nine Months Ended June 30, 2022

<u>All figures expressed in Canadian Dollars except where noted</u>

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 August 29, 2022 and should be read in conjunction with the Company's condensed interim consolidated financial statement for the three and nine months ended June 30, 2022 ("Q3-2022") and the Company's audited consolidated financial statements and related notes for the year ended September 30, 2021 ("fiscal 2021").

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 copper measured and indicated and 5.9 billion pounds copper 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.

HIGHLIGHTS

During the period ended June 30, 2022:

- Santiago Montt, a senior mining executive and a lawyer was appointed Chief Operating Officer
- Drilling was started on high priority targets at Vizcachitas
- R. Michael Jones P.Eng an experienced engineer, company founder and capital markets participant was appointed CEO.
- The Company commenced trading on the OTCQX in the USA.

Overall Performance

During the nine months ended June 30, 2022, the Company had a net loss of $7,257,870 or $0.27 per share, compared to a loss of $1,404,789 or $0.05 per share during the nine months ended June 30, 2021.

At June 30, 2022, the Company has a cash balance of $2,234,398 (September 30, 2021: $8,772,846) and working capital of $546,558 (September 30, 2021: $8,001,931).

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. The consolidation of the property allowed for the application and completion of drilling permits covering all of the targeted areas for exploration.

At June 30, 2022, the Company owns 52 exploitation mining concessions covering 10,771 hectares and 175 exploration claims covering a combined total of 44,200 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 June 30, 2022, TBML owns a total of 14,373,614 or approximately 52.9% of the common shares of the Company. 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 $10,721,624 net of $80,024 in finder's fees and $277,387 in transaction expenses reimbursed to RCF have been accounted for as a recovery of costs incurred on the Vizcachitas Property. During the year ended September 30, 2021, the Company recorded a recovery of transaction costs totalling $31,948, which has been included as a recovery of costs in the current year.

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.

Existing Royalty Purchase Agreement

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 ($3,118,926 paid on April 23, 2021) by May 15, 2021 and US$3,600,000 ($4,526,315 paid on April 18, 2022) by May 15, 2022 for a total purchase price of US$7,100,000 ($7,645,241); or

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 ($4,990,282 received on April 23, 2021) on or before the 15th business day prior to the first anniversary of the ERPA; and
- US$4,000,000 ($5,029,239 received on April 18, 2022) on or before the 15th business day prior to the second anniversary of the ERPA.

The Company received US$4,000,000 pursuant to the RPA2 with RCF and paid US$2,500,000 pursuant to the ERPA for a net receipt of US$1,500,000 ($1,871,356) on April 23, 2021.

The Company received US$4,000,000 pursuant to the RPA 2 with RCF and paid US$3,600,000 pursuant to the ERPA for a net receipt of US$400,000 ($502,924) on April 18, 2022. Upon completion of the payment on April 18, 2022, the Company had satisfied its requirements in regards to the ERPA.

On June 23, 2022, the Company cancelled the royalty in the ERPA, and Royalty 2 is the only existing royalty over the mineral properties.

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 up to US$5 million 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.

In the event that the contingent royalty purchase price is less than US$5 million the difference between the contingent royalty purchase price and US$5 million will be deducted from initial NSR royalty payments until the total contingent purchase price reaches US$5 million. In the event RCF does not sell the royalty prior to commencement of commercial production, the amount payable of US$5 million shall be deducted from initial NSR royalty payments.

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 repurchased 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 its subsidiary, 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.

On April 28, 2022, the Company announced that it has been advised that RCF has entered into a definitive agreement (the "Definitive Agreement") to sell (the "Proposed Sale") the 2% NSR royalty on the Company's Vizcachitas Copper Project (the "Royalty") owned by RCF pursuant to that certain Royalty Purchase Agreement dated May 27, 2020 (the "Royalty Purchase Agreement"). If the Proposed Sale is consummated, then RCF will owe the Company a contingent purchase price payment of US$5,000,000 pursuant to the terms of the Royalty Purchase Agreement. Subsequent to June 30, 2022 the Company was advised by RCF that the Proposed Sale may not proceed and that the status of the Definitive Agreement is uncertain.

Environmental Permits for Drilling and Subsequent Litigation

On April 27, 2020, the Regional Environmental Committee (Comisión de Evaluación Ambiental) issued the Environmental Resolution N° 14/2021, authorizing the company to execute up to 350 drilling holes, during a 4-year period, at the project site (the "Environmental License").

On September 30, 2020, the Court of Appeals of Valparaiso, the highest regional court where the Vizcachitas property is located, revoked the Environmental License, and remanded the case to the Environmental

Assessment Service for further public consultation. After successfully conducting the required additional public participation ordered by the Court, on May 13, 2021, the Regional Environmental Committee issued a revised Environmental License, authorizing the drilling of up to 350 holes, during a 4-year period, at the project site (the "Revised Environmental License"). The proposed workplan includes infill drilling within the PFS open pit, drilling to extend the higher-grade mineralisation of the Preliminary Economic Assessment pit, and to test the prospective geophysical targets identified in 2020.

Cases before the Environmental Court

On June 5, 2021, members of the local community, the Municipality and the Putaendo River Surveillance Board filed four administrative appeals against the Revised Environmental License before the Executive Director of Environmental Assessment Agency arguing that their comments during the notice and comment period were not considered appropriately. Two of them were rejected in limine and claimants challenged the decision to exclude them from the administrative process before the Environmental Court. On April 27, 2022, the Court heard the parties, and a decision by the Court is expected in the next three to five months.

The other two administrative claims were formally admitted for review and the Company filed its legal defense requesting their full rejection. On December 10, 2021, the Executive Director of the Environmental Assessment Agency rejected both administrative appeals against the Revised Environmental License. The Executive Director's decision was subsequently challenged by the claimants before the Environmental Court. On March 18, 2022, the Environmental Court decreed a preliminary injunction to suspend the effects of the Revised Environmental License, effectively suspending drilling operations at site. In response to the Court Order the Company suspended its drilling operations. The Court order relates to the potential impact to the vizcachas (a small rabbit) habitat, which is part of the food chain of the Andean Cat, a protected species. By the time of the suspension, the Company completed 8,668 meters of drilling, which allowed later to complete 7,946 meters of assays for grade.

On June 1, 2022, the Company filed a petition to request the upliftment of the Order of March 18, 2022, so that its planned drilling campaign could continue in accordance with its granted permits. On July 20, 2022, the Environmental Court revoked its March 18, 2022 order, allowing the Company to resume its drilling program with certain restrictions, including a limited and monitored drilling plan suggested by the Company. On August 22, 2022, the Court of Appeals of Santiago rejected the appeal filed against the decision (see below).

Three requests for administrative invalidation (claim of illegality) were filed in July 2021 against the Revised Environmental License before the Regional Environmental Committee of the Valparaíso Region. These requests were aggregated in one single administrative proceeding. The Company filed its defense rejecting all factual and legal allegations. On February 8, 2022, the Regional Environmental Committee rejected all three administrative claims, and the parties were notified of the decision on February 23, 2022. The claimants challenged the decision before the Environmental Court, and the Court consolidated all three claims in one case.

The two judicial review claims and the three invalidation review claims have been consolidated in one case. The final decision of the Environmental Court on these claims could take from eight to twelve months, and it may subsequently be challenged before the Supreme Court. In the event the plaintiff's arguments are accepted, the Court decision may impact the progress and timing of the drilling program.

Cases before the Court of Appeals of Santiago

On July 27, 2022, members of the local community and the Municipality of Putaendo filed an appeal before the Court of Appeals of Santiago in order to revoke the July 20, 2022, decision by the Environmental Court that allowed the company to resume its drilling program. On August 16, 2022, the company filed a special recourse to have this appeal quashed as it is illegal and contrary to the Environmental Courts Law. On August 22, 2022, the Court of Appeals of Santiago rejected the appeal filed by members of the local community and the Municipality of Putaendo.

Cases before the Court of Appeals of Valparaíso

In June 2021, members of the local community filed a constitutional protection action against the Company and three other administrative bodies before the Court of Appeals of Valparaiso. The Company filed its defense rejecting all factual and legal allegations. Parties are currently expecting the court to set a hearing date and then issue a decision. The decision of the court may be challenged before the Supreme Court. In the event the plaintiff's arguments are accepted, the court decision may impact the timing of the drilling program, depending on its degree of progress at the time.

On September 25, 2021, members of the local community filed a constitutional protection action against the Company before the Court of Appeals of Valparaiso. After hearing the Company's defence on December 20, 2021, the Court rejected the claim. This decision was not appealed by the plaintiffs.

Cases before the Peace Court of Putaendo

On August 9, 2021, the Director of Municipal Works of the Municipality of Putaendo filed a complaint in the Local Police Court of Putaendo ("JPL Putaendo"), claiming an alleged violation by the Company of the planning and construction laws and permits related to the drilling project. The Company filed its defense rejecting all claims and on January 12, 2022, the Court decided the case in favour of the Company, rejecting all claims.

On 7 April 2022, the National Forestry Service ("CONAF") filed a complaint in the JPL Putaendo, claiming an alleged Company violation of its reforestation plan related to the mining drilling campaigns carried out between the years 2015-2017. On June 3, 2022, the Court decided against the Company, imposing a fine of USD 2,000.

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 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 June 30, 2022, the Company held 100% of the issued and outstanding shares of the Rocin Subsidiary.

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 P80 on the range analyzed and, on this basis, a coarser primary grind P80 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 mill 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, 2020 $	Costs Incurred (recovered) in year ended September 30, 2021 $	Total costs to September 30, 2021 $	Costs incurred (recovered) in period ended June 30, 2022 $	Total Costs to June 30, 2022 $
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	2,589,407	196,097	2,785,504	1,226,616	4,012,120
Deferred exploration					
Automobile and travel	624,997	65,296	690,293	3,495	693,788
Assaying	706,487	18,875	725,362	-	725,362
Camp rehabilitation, maintenance and security	3,058,903	467,452	3,526,355	159,044	3,685,399
Core handling and storage	32,914	-	32,914	-	32,914
Drilling	5,374,998	63,104	5,438,102	6,012,189	11,450,291
Equipment and equipment rental	642,170	2,373	644,543	591	645,134
Exploration administration	6,284,957	1,702,655	7,987,612	1,737,653	9,725,265
Food and accommodation	384,038	1,041	385,079	-	385,079
Geological consulting	2,377,327	167,694	2,545,021	425,127	2,970,148
Other	178,535	38,071	216,606	11,567	228,173
Property & surface rights, taxes & tenure fees	1,863,103	252,295	2,115,398	309,636	2,425,034
Road repairs	47,556	-	47,556	-	47,556
Studies and other consulting	4,597,236	867,537	5,464,773	541,568	6,006,341
Subcontractors	1,269,366	-	1,269,366	-	1,269,366
Supplies	846,342	64,338	910,680	-	910,680
Sustainable development	29,501	103,096	132,597	166,411	299,008
Warehouse Maintenance	-	-	-	65,879	65,879
Total Deferred exploration	**28,318,430**	**3,813,827**	**32,132,257**	**9,433,160**	**41,565,417**
Royalty purchase agreements	(10,364,213)	(1,903,304)	(12,267,517)	(502,924)	(12,770,441)
Exchange rate differences	(6,246,910)	(3,184,753)	(9,431,663)	(5,198,204)	(14,629,867)
	74,804,725	**(1,078,133)**	**73,726,592**	**4,958,648**	**78,685,240**

Financial Review

Three months ended June 30, 2022

The Company incurred a net loss of $1,577,249 or $0.06 per share for the three months ended June 30, 2022 compared to a net loss of $495,258 or $0.02 per share for the three months ended June 30, 2021.

During the quarter ended June 30, 2022, the Company incurred $1,528,188 in general and administrative expenses (2021: $408,661). The increase in general and administrative expenses is the result of the Company's increased consulting, salaries, management and directors' fees, shareholder communication, office and administration, interest and accretion.

<u>Consulting, salaries, management and directors' fees of $425,598 (2021: $121,892)</u>

The increase in consulting, salaries, management and directors' fees is due to the new incoming CEO salary and the Company granting DSUs during the three months ended June 30, 2022, compared to no DSUs granted during the three months ended June 30, 2021. The Company also engaged a consultant to provide a technical information report to the Board.

<u>Shareholder communication of $221,773 (2021: $62,585)</u>

The increase in shareholder communication was due to the Company engaging the services of a consultant for industry research, to increase awareness of the Company and its activities by developing a marketing strategy.

Office and administration of $154,980 (2021: $36,343)
The increase in office and administration is due to the Company incurring rent expense for a London office, where the new CEO works from, travel expenses incurred and advertising to increase awareness of the Company.

Interest expense of $129,767 (2021: $45,557)
The increase in interest expense is due to the interest incurred on the US$5,000,000 convertible debenture the Company entered into during fiscal 2021.

Accretion expense of $370,881 (2021: $33,445)
The increase in accretion expense is due to the accretion, incurred on the US$5,000,000 convertible debenture the Company entered into during fiscal 2021 and the US$4,000,000 convertible debenture the Company entered into during fiscal 2022.

During the three months ended June 30, 2022, the Company recorded expenses of $1,185 incurred in connection with the Hydroelectric Project (2021: expenses of $2,691).

Under other comprehensive loss, the Company recorded a loss in respect of a foreign exchange translation allowance of $5,653,180 for the three months ended June 30, 2022 (2021: loss of $1,402,306).

Nine months ended June 30, 2022
The Company incurred a net loss of $7,257,870 or $0.76 per share for the nine months ended June 30, 2022 compared to a net loss of $1,404,789 or $0.05 per share for the nine months ended June 30, 2021.

During the nine months ended June 30, 2022, the Company incurred $4,081,375 in general and administrative expenses (2021: $979,728). The increase in general and administrative expenses is the result of the Company's increased consulting, salaries, management and directors' fees, accretion, shareholder communication, interest expense and office and administration.

Consulting, salaries, management and directors' fees of $1,335,482 (2021: $328,009)
The increase in consulting, salaries, management and directors' fees is due to the new incoming CEO salary and the Company granting DSUs during the nine months ended June 30, 2022 compared to no DSUs granted during the nine months ended June 30, 2021. The Company also engaged a consultant to provide a technical information report to the Board.

Accretion expense of $776,747 (2021: $33,445)
The increase in accretion expense is due to the accretion incurred on the US$5,000,000 convertible debenture the Company entered into during fiscal 2021 and the US$4,000,000 convertible debenture the Company entered into during fiscal 2022.

Shareholder communication of $606,305 (2021: $188,154)
The increase in shareholder communication was due to the Company engaging the services of a consultant for industry research, to increase awareness of the Company and its activities by developing a marketing strategy.

Interest expense of $398,801 (2021: $58,323)
The increase in interest expense is due to the interest incurred on the US$5,000,000 convertible debenture the Company entered into during fiscal 2021

Office and administration of $386,135 (2021: $71,515)
The increase in office and administration is due to the Company incurring rent expense for a London office, where the new CEO works from, travel expenses incurred and advertising to increase awareness of the Company.

During the nine months ended June 30, 2022, the Company recorded expenses of $3,590 incurred in connection with the Hydroelectric Project (2021: expenses of $4,563).

Under other comprehensive loss, the Company recorded a loss in respect of a foreign exchange translation allowance of $4,652,330 for the nine months ended June 30, 2022 (2021: loss of $30,930).

The Company incurred $9,433,160 in deferred exploration expenses, capitalized as unproven mineral right interests (2021: $2,504,867).

SUMMARY OF QUARTERLY RESULTS

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

	Three Months Ended ($)			
	June 30, 2022	**March 31, 2022**	**December 31, 2021**	**September 30, 2021**
Net loss	(1,577,249)	(3,317,589)	(2,363,032)	(242,281)
Basic and diluted loss per share*	(0.06)	(0.11)	(0.09)	(0.01)

	Three Months Ended ($)			
	June 30, 2021	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**
Net loss	(495,258)	(512,768)	(396,763)	(894,943)
Basic and diluted loss per share*	(0.02)	(0.02)	(0.01)	(0.03)

* 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 June 30, 2022, the Company had cash and cash equivalents of $2,234,398 and working capital of $546,558 compared to cash and cash equivalents of $8,772,846 and working capital of $8,011,931 at September 30, 2021.

During the nine months ended June 30, 2022, the Company's operations used $1,496,108 of cash (2021 – proceeds of $608,262). Primarily due to payment of operating expenses. During the period ended June 30, 2021, the Company received $2,262,761 in receivables related to the initial royalty sale.

The Company incurred mineral property expenditures of $10,230,177 (2021 - $2,631,904) as the Company completed a drilling program during the year and continues to advance the Vizcachitas project. This was offset by net proceeds of $502,924 from the completion of the RPA 2.

On April 6, 2022, the Company received US$4,000,000 from Queen's Road Capital by way of Convertible Debenture. The Convertible Debenture has a five-year term, carries an eight per cent coupon and is convertible into common shares in the capital of the Company at a price of $19.67 per share. The interest is payable quarterly, five per cent in cash and three per cent in shares, at the 20-day volume weighted average price prior to the interest payment date. The proceeds received from this investment will be allocated towards the completion of the Vizcachitas project pre-feasibility study and general corporate purposes. The Convertible Debentures is subject to a four month hold period under Canadian securities laws expiring on August 5, 2022.

Net proceeds from the convertible debenture were $4,954,235 and during the nine months ended June 30, 2022 the Company made cash interest payments of $239,615 (2021 - $nil) related to the convertible debentures.

On August 25, 2022, the Company announced it had agreed to an additional convertible debenture with QRC in the amount of US$5,000,000. The Convertible Debenture has a five-year term, carries an eight per cent coupon and is convertible into common shares in the capital of the Company at a price of $16.75 per share. The interest is payable quarterly, five per cent in cash and three per cent in shares, at the 20-day volume weighted average price prior to the interest payment date.

The Company has not yet put its mineral properties into commercial production and as such has no operating revenues or cash flows. In order to begin feasibility work on the Vizcachitas Project, it will be necessary for the Company to obtain additional financing and in the event the Company is unable to obtain the necessary financing to fund the Vizcachitas Project it will have to curtail development. The Company is dependent upon the equity markets for operating working capital and the Company's capital resources are largely determined by the strength of the resource capital markets, by the status of the Company's project in relation to these markets, and its ability to compete for investor support of its projects. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to it.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

Transactions with Related Parties

As at June 30, 2022, the Company's related parties consist of companies controlled by the Company's President and Chief Executive Officer ("CEO"), the Company's current Chief Financial Officer ("CFO") and a Company director.

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

The Company incurred the following fees 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 June 30		**Nine months ended June 30**	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Consulting, salaries, management and director's fees [1]	361,003	101,883	1,270,887	304,610
Geological fees	57,657	54,949	171,344	170,954
Professional fees (accounting)	19,000	11,574	57,330	32,874
Share-based compensation	694	2,236	52,791	8,006
	438,354	170,642	1,552,352	516,444

[1] Includes fees from CEO R. Michael Jones, former CEO Antony Amberg and the board of directors

During the nine months ended June 30, 2022, included in directors' fees and management fees was $478,922 which was the deemed value of DSUs at issuance.

Included in trade and other payables as at June 30, 2022, is $79,099 (September 30, 2021: $48,027) 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 and nine months ended June 30, 2022 and 2021 is as follows:

	Three months ended June 30		**Nine months ended June 30**	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Consulting, salaries, management, geological consulting and professional fees	248,417	158,622	1,029,642	489,654
Share-based compensation	694	2,236	52,791	8,006
	249,111	160,858	1,082,433	497,660

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, 2021.

Outstanding Share Data

Authorized: Unlimited common shares without par value

All share information is reported as of August 29, 2022, in the following table:

Type of Security	Number
Issued and outstanding common shares	27,276,686
Exercisable Stock options with a weighted average exercise price of $5.31	143,500
Warrants with a weighted average exercise price of $5.00	1,340,000
Exercisable deferred share units	45,687
Convertible debentures	1,250,462
Total	30,056,335

ESG Committee

Los Andes understands that integration of Environmental, Social and Governance (ESG) factors into the full range of its business is fundamental to the success and growth of the Company and its social licence to operate. The Company is committed to implementing good ESG practices across its activities to enhance the long-term sustainability of communities in which it operates, meet the expectations of the broad range of stakeholders, shareholders, and the overall business.

The Company's ESG Board Committee was established by the Board of Directors (the Board) during the year ended September 30, 2021. Non-Executive Director, Corinne Boone, was appointed as ESG Committee Chair. The full ESG Committee membership consists of Francis O'Kelly and Eduardo Covarrubias. The ESG Committee is supported by the Company's CEO and Management Team.

The ESG Committee is working with the Board, the CEO, and key members of the Management team, to identify and understand key ESG considerations for the Company, to document what the Company is already doing as it relates to ESG and to identify gaps, risks and opportunities related to ESG, for further investigation. The ESG Committee is also working together with the Board, the CEO, and the Management team to develop the broader ESG strategy and action plan for integrating ESG considerations into the Company's strategy and operations.

The ESG Committee has established the ESG Charter, which outlines the purpose of the ESG Committee – to assist the Board in fulfilling its oversight responsibilities with respect to the Company's policies, standards, and programs relating to the management of (i) workplace, community, and environmental impacts; (ii) regulatory and permitting risks; (iii) stakeholder relationships; and (iv) corporate governance. The ESG Committee will also seek to identify opportunities to advance ESG and to enhance the resilience of communities in which the Company operates, thereby strengthening the Company's social license to operate. As part of its mandate, the ESG Committee will monitor, assess, and report to the Board on the Company's performance progress in these areas.

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

Resource exploration and development projects are inherently speculative in nature

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate or adequately mitigate. While the discovery of a mineral deposit may result in substantial rewards, few projects that are explored are ultimately developed into producing mines. Major expenditures are required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices (which are highly volatile and cyclical); and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, allowable production, importing and exporting of minerals and environmental protection.

Assuming discovery of a mineral deposit that may be commercially viable and depending on the type of mining operation involved, many years can elapse from the initial phase of drilling until commercial operations are commenced. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or in mineral projects failing to achieve expected project returns.

The Coronavirus (COVID-19) pandemic could persist for a prolonged period

The global COVID-19 pandemic has resulted in social and economic disruption and had a resultant impact on the mining and exploration industries and capital markets. The pandemic could result in adverse exploration and development results due to workforce reductions, supply and/or demand interruptions, travel restrictions and downturn in new equity and debt financings for mining projects. The Company's management, contractors and suppliers could be affected by contagious diseases, including the coronavirus, that could result in a reduction in its workforce due to illness or quarantine, critical supply disruptions, transportation and travel restrictions, and other factors beyond its control. These and other factors could negatively affect its business in complex ways, which are difficult or impossible to predict.

Successfully establishing mining operations and profitably producing copper cannot be assured

The Company has no history of producing copper. There can be no assurance that the Company will successfully establish mining operations or profitably produce copper from the Vizcachitas Project or any other project.

The Vizcachitas Project is in the exploration and evaluation stage and as a result, the Company is subject to all of the risks associated with establishing new mining operations and business enterprises including: (i) the availability of capital to finance construction and development activities is uncertain, may not be available, or may not be available at a cost which is economic to construct and develop a mine; (ii) the timing and cost, which can be considerable, to construct mining and processing facilities is uncertain and subject to increase; (iii) the availability and cost of skilled labour, consultants, mining equipment and supplies; (iv) the timing to receive any outstanding documentation, including permits, tax exemptions and fiscal guarantees required to commence construction and/or draw down on any loan facility that may be entered into by the Company in the future; and (v) the costs, timing and complexities of mine construction and development may be increased with the Vizcachitas Project.

It is common in new mining operations to experience unexpected problems and delays during construction, development and mine start-up. Accordingly, there are no assurances that the Company's activities will result in profitable mining operations or that the Company will successfully establish mining operations or profitably produce copper at the Vizcachitas Project or any of its future projects.

Country risks

The Vizcachitas Project is located in Chile and therefore its activities are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of one or more of these risks could have a material and adverse effect on the Company's profitability or the viability of its affected foreign operations, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. An election in December 2021, resulted in a change in government which may have adverse material effects on the Company.

Mineral Resource and Mineral Reserve estimates are only estimates and may not reflect the actual deposits or the economic viability of copper extraction

The estimation of Mineral Resources and Mineral Reserves is inherently uncertain and involves subjective judgments about many relevant factors. The accuracy of any such estimate is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Estimates may have to be re-estimated based on, among other things: (i) fluctuations in the price of copper; (ii) results of drilling; (iii) results of metallurgical testing, process and other studies including the grade and recovery of material; (iv) changes to proposed mine plans; (v) capital and operating costs; (vi) the evaluation of mine plans subsequent to the date of any estimates; and (vii) the possible failure to receive required permits, approvals and licenses. Actual recoveries of mineral products may differ from Mineral Resources and Mineral Reserves as reported due to inherent uncertainties in acceptable estimating techniques.

ESG Risks

The Company's operations are dependent on receiving and maintaining required permits and licenses

Continued operations at the Vizcachitas Project are subject to receiving and maintaining permits from appropriate governmental authorities for various aspects of exploration, mine development and ultimately mine operation, including avoiding and resisting injunctions and court orders in license-related litigation.

Where required, obtaining necessary permits is a complex, time consuming and costly process. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the exploration and development of the Vizcachitas Project or the operation or further development of a future project. There is no assurance that all necessary renewals or extension of permits for future operations will be issued on a timely basis or at all.

The Vizcachitas Project is subject to environmental risks which may affect operating activities or costs

Exploration programs and potential future mining operations, including the Vizcachitas Project, have inherent risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Laws and regulations involving the protection and remediation of the environment, including those addressing emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive, with the trend towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for Companies and their officers, directors and employees.

Compliance with environmental laws and regulations may require significant capital or operational outlays on behalf of the Company and may cause material changes or delays in the Company's actual or intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect the Company's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of the Company's resources and business, causing the Company to re-evaluate those activities or estimates at that time. The Company cannot give any assurance that, notwithstanding its precautions and history of activities, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and its results from operations.

The Company relies on its management team and the loss of one or more of these persons may adversely affect the Company

The Company's activities are managed by a small number of key individuals who are intimately familiar with its operations. Consequently, the success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of this management team. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside contractors. The Company does not have in place formal programs for succession of management and training of management. The loss of one or more of these key employees or contractors, if not replaced, could adversely affect the Company's profitability, results of operations and financial condition. Should any or all of the existing management resign from the Company, there can be no assurance that the directors will be able to replace such persons or replace them in a timely manner. Any such occurrence may materially and adversely affect the Company's profitability, results of operations and financial condition. At present, the Company does not maintain any "key man" life insurance.

The Company's operations rely on the availability of local labour, local and outside contractors and equipment when required to carry out our exploration and development activities

The Company relies upon the performance of outside consultants and contractors for drilling, geological and technical expertise. The loss of access to existing consultants and contractors, or an inability to hire suitably qualified consultants, contractors or personnel to address new areas of need, would materially impact the Company's ability to carry out the exploration and development activities.

Failure to continue to have strong local community relations may impact the Company

Mining Companies face increasing public scrutiny and monitoring of their activities to demonstrate that operations will benefit local governments and the communities surrounding projects. Companies are required to expend significant amounts of time and money on local consultation and meetings as part of developing their 'social license to operate'. Potential consequences of this increased scrutiny and additional consultative requirements may include lawsuits, demands for increased social investment obligations and increased taxes to support local governments or fund local development projects or in extreme cases, significant local opposition to mineral exploration, project development and/or mining operations. These additional risks could result in increased costs, delays in the permitting process or other impacts on operations, any of which could adversely impact the Vizcachitas Project and any future prospects and ability to develop or mine any mineral deposit.

The Vizcachitas Project, and future projects, are subject to title risks

The Company has taken all reasonable steps to ensure it has proper title to its projects. However, no guarantees can be provided that there are no unregistered agreements, claims or defects which may result in the Company's mineral titles to the Vizcachitas Project being challenged. Should the Company lose any mineral titles at the Vizcachitas Project or any of its future mineral projects, the loss of such legal rights could have a material and adverse impact on the Company and its ability to explore, develop and/or operate the mineral project.

The Vizcachitas Project, if mining operations are established, will be subject to operational risks and hazards inherent in the mining industry

The Company does not have a project in pre or commercial production. Potential future mining operations will be subject to the risks inherent in the mining industry, including fluctuations in metal prices, exchange rates, fuel prices, costs of constructing and operating a mine as well as processing and refining facilities in a specific environment, the availability of economic sources of energy and the adequacy of water supplies, adequate access to the site, unanticipated transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment (including regulations relating to prices, royalties, duties, taxes, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands), and industrial accidents and labour actions or unrest. The occurrence of any of these factors could result in detrimental delays or stoppages to the development of a project and, as a result, materially and adversely affect the Company's business, financial condition, results of operations and cash flow.

Unanticipated grade and tonnage of ore to be mined and processed, unusual or unexpected adverse geological or geotechnical formation, or unusual or unexpected adverse operating conditions, slope failure, failure of pit walls or dams, fire, and natural phenomena and "acts of nature" such as inclement weather conditions, floods, or other conditions may be encountered in the drilling and removal of ore. These occurrences could result in damage to, or destruction of, mineral projects or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Company may incur liability as a result of pollution and other casualties and may not be able to insure fully or at all against such risks, due to political reasons, unavailability of coverage in the marketplace or other reasons, or may decide not to insure against such risks as a result of high premiums or for other reasons. This can result in delayed production and increases in production costs or liability. Paying compensation for obligations resulting from such liability may be very costly and could have an adverse effect on the Company's financial position, cash flows or prospects.

The Company's insurance coverage does not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable

The Company maintains insurance to protect it against certain risks related to its current operations in amounts that it believes are reasonable depending upon the circumstances surrounding each identified risk. The Company may elect, however, not to insure against certain risks due to high premiums or for various other reasons.

Although the Company maintains insurance in amounts it believes to be reasonable, such insurance may not provide adequate coverage in all circumstances. No assurance can be given that such insurance will continue to be available at economically feasible premiums or that it will provide sufficient coverage for losses related to these or other risks and hazards. Should liabilities arise as a result of insufficient or non-existent insurance, any future profitability could be reduced or eliminated and result in increasing costs and a decline in the value of the Company's assets.

The mining industry is extremely competitive

The competition to discover and acquire mineral projects considered to have commercial potential is intense. The Company competes with other mining companies, many of which are larger and have greater financial resources than the Company, including with respect to the discovery and acquisition of interests in mineral projects, financing of such projects, the recruitment and retention of qualified employees, securing other contract personnel and the obtaining of necessary equipment. There can be no assurance that the Company will be able to successfully compete against such companies.

Financial Risks

The Vizcachitas Project is subject to financing risks

The Company does not have a producing mineral project and no sources of operating revenue. The Company's ability to explore for and find potential economic projects, and then to bring them into production, is highly dependent upon its ability to raise equity and debt capital in the financial markets. There is no assurance that the Company will be able to raise the funds required to continue its exploration programs and finance the development of any potentially economic deposit, including the Vizcachitas Project, that is identified on acceptable terms or at all. The failure to obtain the necessary financing would have a material adverse effect on the Company's growth strategy, results of operations, financial condition and prospects.

Global financial markets have been negatively impacted by the novel Coronavirus or COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant global economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company's future financial results.

Any such potential financing has been delayed by the temporary business travel restrictions that potential financiers are implementing in response to the COVID-19 virus. Furthermore, the financial capacity of potential lenders to extend new loans due to liquidity or other challenges may be reduced or cancelled should the COVID-19 virus continue for a prolonged period of time. These and other factors with respect to the coronavirus could negatively affect its business in complex ways, which are difficult or impossible to predict.

Los Andes has a history of losses and expects to incur losses until such time as the Vizcachitas Project achieves commercial production

The Company has incurred losses since its inception. The Company incurred the following net losses for the past three fiscal years as follows:

- $1,647,070 for the year ended September 30, 2021.
- $1,887,064 for the year ended September 30, 2020.
- $775,987 for the year ended September 30, 2019.

The Company expects to continue to incur losses unless and until such time as the Vizcachitas Project generates sufficient revenues to fund continuing operations. The development of the Vizcachitas Project will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, and the Company's acquisition of additional projects, some of which are beyond the Company's control. There can be no assurance that the Company will ever achieve profitability.

The Company's economic prospects and the viability of the Vizcachitas Project is subject to changes in, and volatility of, the price of copper

A principal factor that will affect the Company's ability to successfully execute its business plan is the price of copper. There are numerous factors outside of the Company's control that may affect the price of copper including industrial and retail demand, central bank lending, sales and purchases of copper, forward sales of copper by producers and speculators, levels of copper production, short-term changes in supply and demand because of speculative hedging activities, confidence in the global monetary system, expectations of the future rate of inflation, the availability and attractiveness of alternative investment vehicles, the strength of the US dollar (the currency in which the price of copper is generally quoted), interest rates, terrorism and war, and other global or regional political or economic events or conditions.

The future trend in the price of copper cannot be predicted with any degree of certainty. The market price of copper affects the economics of any potential development project, as well as having an impact on the perceptions of investors with respect to copper equities, and therefore, the ability of the Company to raise capital. A decrease in the market price of copper and other metals could affect the Company's ability to finance exploration and development of the Vizcachitas Project, which would have a material adverse effect on the Company's financial condition and results of operations and, potentially, result in dilution in its ownership interest in the Vizcachitas Project. There can be no assurance that the market price of copper will remain at current levels or that such prices will improve or that market prices will not fall.

Currency fluctuations may affect the Company's financial performance

Currency fluctuations may affect costs of the Company's operations. Copper is sold throughout the world based principally on a US dollar price, but the majority of the Company's operating expenses are in non-US dollar currencies. Any appreciation of these non-US dollar currencies against the US dollar could negatively affect the Company's profitability, cash flows and financial position. The Company does not currently have a currency or copper hedging policy and does not have any hedges in place. Accordingly, the Company currently has no protection from declines in mineral prices and currency fluctuations.

Regulatory Risks

Government regulations and permitting may have an adverse effect on the Company's activities

The Company's exploration and development activities are subject to a number of laws and regulations governing health and worker safety, employment standards, exports, price controls, taxation, waste disposal, management and use of toxic substances and explosives, protection of the environment, mine development, protection of endangered and protected species, reclamation, historic and cultural preservation and other matters. Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits.

It is possible that future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms and conditions of existing permits and agreements applicable to the Company or its projects (including retroactively), which could have a material and adverse effect on the Company's exploration activities, operations or planned exploration and development projects. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities, any of which would have a material and adverse effect on the Company's financial condition, results of operations and prospects.

Adverse changes may be made to mining laws, tax rates, and related regulations

There can be no assurance that future changes will not be made to the mining law and other legislation applicable to the Company in Chile and elsewhere. Any such changes could materially increase the cost of exploration activities, mine development or mine operations through changes in royalty or tax rates, among others.

Investors may have difficulty enforcing judgments in Canada, the United States and elsewhere

The Company is organized under the laws of British Columbia and its registered office is located in the Province of British Columbia. Some of the Company's directors and officers, and some of the experts named herein, are residents of Canada. Given that the Company's material assets, personnel and experts are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, any judgments obtained by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or otherwise.

It may also be difficult for investors in the United States to bring an action against directors, officers or experts who are not resident in the United States. It may also be difficult for an investor to enforce a judgment obtained in a United States court or a court of another jurisdiction of residence predicated upon the civil liability provisions of federal securities laws or other laws of the United States or any state thereof or the equivalent laws of other jurisdictions of residence against those persons or the Company.

In the event a dispute arises from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada.

Forward-looking Information

The Company's condensed interim consolidated financial statements for the three and nine months ended June 30, 2022, 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.

OUTLOOK

Los Andes Copper looks forward to the balance of 2022 with drilling, project engineering for a Pre-Feasibility Study and further stakeholder engagement, and increased investor contact as its key milestones.

We will operate safely and in compliance with all regulations and in compliance of the conditions of our permits. We will abide by the terms recently agreed with the Environmental Court for our continued drilling under our permits. We will remain aware of risks and work in a climate of mutual respect to maximize the project value with all stakeholders.

We have been monitoring the copper market closely and we have noted a growing consensus with producers, investment banks and consumers that a deficit in copper for the coming decade is likely. We plan to highlight with the investment community the rare nature of large-scale new copper projects as demand is expected to be strong from global electrification.

We look to resume drilling with up to 5 drill rigs in September 2022 and to be publishing assay results over the year. Immediate objectives include resuming drill holes with good copper results at the end of the hole and filling in certain areas with good results. Over the fourth quarter of 2022 the Company plans to continue its exploration offsetting and drilling deeper from previous new large-scale copper intercepts where the deposit remains open.

The Pre-feasibility is targeted for completion in Q4 2022 and engineering work is proceeding according to plan. The new drill results planned over the fourth quarter are targeted to illustrate potential beyond the Pre-feasibility plans.

The Company also plans to increase investor awareness, research coverage and the trading profile. New research was published on the Company over the period. New investor contact is a focus of Company management in the months ahead.

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 and nine months ended June 30, 2022, 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.