LOS ANDES COPPER LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2014

NOTICE

The accompanying unaudited condensed interim financial statements of Los Andes Copper Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

LOS ANDES COPPER LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	March 31, 2014 ($)	September 30, 2013 ($)
ASSETS		
Current		
Cash and cash equivalents	39,029	243,160
Trade and other receivables	6,752	3,132
Prepaid expenses and deposits	38,461	21,242
	84,242	267,534
Non-current assets		
VAT tax credits	1,572,529	1,533,169
Unproven mineral right interests (Notes 6 and 7)	68,720,986	68,300,477
Hydro-electric project water rights (Note 9)	8,250,000	-
Equipment	20,868	26,062
	78,648,625	70,127,242
LIABILITIES		
Current		
Trade and other payables (Note 13)	359,018	151,636
Borrowings (Note 10)	406,528	-
	765,546	151,636
Non-current liability		
Deferred income tax	1,806,200	1,806,200
	2,571,746	1,957,836
EQUITY		
Share capital (Note 11)	87,419,489	79,169,489
Equity reserve (Note 11)	2,320,854	2,320,854
Deficit	(12,455,268)	(12,082,521)
Accumulated other comprehensive loss	(1,208,196)	(1,238,416)
	76,076,879	68,169,406
	78,648,625	70,127,242

Nature and continuance of operations and going concern (Note 1)

Subsequent events (Note 17)

On behalf of the Board:

"Klaus Zeitler"	"Francisco Covarrubias"
Director	Director

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

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

	Quarters ended March 31,		Six months ended March 31,	
	2014	2013	2014	2013
	($)	($)	($)	($)
EXPENSES				
General and Administrative				
Depreciation	2,408	2,469	4,729	5,001
Consulting, salaries and management fees (Note 13)	86,424	80,614	166,888	171,503
Office and administration	7,015	6,883	15,389	13,477
Professional fees (Note 13)	65,543	30,729	87,859	52,512
Shareholder communications	3,456	825	9,087	3,933
Transfer agent, filing and regulatory fees	41,341	20,406	54,403	25,463
	206,187	141,926	338,355	271,889
Hydro-electric Project				
Professional fees	24,737	-	24,737	-
	24,737	-	24,737	-
Loss before other items	(230,924)	(141,926)	(363,092)	(271,889)
OTHER ITEMS				
Foreign exchange (loss) gain	(4,000)	(2,521)	(6,866)	(7,697)
Interest expense	(2,911)	-	(2,911)	-
Interest income	11	3,196	122	3,293
	(6,900)	675	(9,655)	(4,404)
Net loss	(237,824)	(141,251)	(372,747)	(276,293)
Other comprehensive income (loss)				
Cumulative translation allowance	16,616	1,042,479	30,220	1,036,748
	16,616	1,042,479	30,220	1,036,748
Loss and comprehensive loss	(221,208)	901,228	(342,527)	760,455
Basic and diluted loss per share	-	-	-	-
Weighted average number of shares outstanding	191,162,936	169,932,599	176,813,814	162,932,599

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

LOS ANDES COPPER LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Common shares					
	No. of shares	Amount ($)	Deficit ($)	Equity Reserve ($)	Accumulated Other Comprehensive Loss ($)	Shareholders' Equity ($)
Balance - October 1, 20112	162,932,599	79,169,489	(11,276,391)	2,304,079	(236,414)	69,960,763
Share-based payment (Note 9)	-	-	-	16,775	-	16,775
Net loss	-	-	(806,130)	-	-	(806,130)
Cumulative translation allowance	-	-	-	-	(1,002,002)	(1,002,002)
Balance - September 30, 2013	162,932,599	79,169,489	(12,082,521)	2,320,854	(1,238,416)	68,169,406
Balance - October 1, 2013	162,932,599	79,169,489	(12,082,521)	2,320,854	(1,238,416)	68,169,406
Acquisition of hydro-electric project (Note 9)	37,500,000	8,250,000	-	-	-	8,250,000
Net loss	-	-	(372,747)	-	-	(372,747)
allowance	-	-	-	-	30,220	30,220
Balance - March 31, 2014	200,432,599	87,419,489	(12,455,268)	2,320,854	(1,208,196)	76,076,879

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

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

	Six months ended March 31, 2014 ($)	Six months ended March 31, 2013 ($)
CASH FLOWS FROM OPERATING ACTIVITES		
Net loss	(372,747)	(276,293)
Items not affecting cash:		
Depreciation	4,729	5,001
Interest expense	2,911	-
Change in non-cash working capital items:		
Trade and other receivables and deposits	(3,620)	1,063
Prepaid expenses	(17,219)	16,197
Trade and other payables	180,683	3,194
Net cash used in operating activities	(205,263)	(250,838)
CASH FLOWS FROM FINANCING ACTIVITES		
Proceeds from borrowings (Note 10)	405,307	-
Net cash provided by financing activities	405,307	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Unproven mineral right interests	(393,810)	(509,386)
Acquisition of equipment	-	(5,643)
VAT tax credits	(39,360)	(23,916)
Net cash used in investing activities	(433,170)	(538,945)
Change in cash for the period	(233,126)	(789,783)
Effect of exchange rate changes on cash	28,995	20,676
Cash and cash equivalents, beginning of period	243,160	1,788,847
Cash and cash equivalents, end of period	39,029	1,019,740

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Los Andes Copper Ltd. ("Los Andes") was incorporated on June 7, 1983 under the Business Corporations Act (British Columbia). The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "LA". The Company's principal office is located at Suite 1950-400 Burrard St. Vancouver BC, V6C 3A6, Canada. Its principal business activities are the acquisition of mineral resource properties and the exploration of such properties for minerals. These consolidated financial statements include the accounts of Los Andes and of its wholly-owned 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, Gemma Properties Group Limited and Inversiones Los Patos S.A.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") applicable to a going concern, which assume that the Company will be able to continue in operation for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has made an assessment of its ability to continue as a going concern and is aware of several material adverse conditions as set out below that cast significant doubt on the validity of this assumption.

The Company is a mineral exploration company with a history of recurring losses and without a current source of revenue. At March 31, 2014, the Company did not have a source of ongoing operating cash flow. Operations in recent years have been funded from the issuance of share capital.

Given its current stage of operations, the Company's ability to continue as a going concern is heavily contingent upon its ability to obtain additional financing. If the Company is unable to obtain additional financing in the future, the carrying value of the Company's assets could be subject to material adjustments..

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

These financial statements were authorized for issue by the Board of Directors on May 30, 2014.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The Company is following the same accounting policies and methods of computation in these condensed consolidated interim financial statements as were utilized in the preparation of the audited consolidated financial statements for the quarter ended December 31, 2013.

These condensed interim 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. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2013, prepared in accordance with IFRS as issued by the IASB.

3. ACCOUNTING POLICIES

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Effective October 1, 2013, the Company adopted the following new and revised standards, along with any consequential amendments, in accordance with the applicable transitional provisions:

a) **IFRS 10 – Consolidated Financial Statements:** IFRS 10 replaces the guidance on control and consolidation in IAS 27, Consolidated and Separate Financial Statements, and SIC-12, Consolidation – Special Purpose Entities. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27. The adoption of IFRS 10 did not have an effect on the Company's financial statements.

b) **IFRS 11 – Joint Arrangements:** IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, Investments in Associates and Joint Ventures (amended in 2011). The adoption of IFRS 11 did not have an effect on the Company's financial statements.

c) **IFRS 12 – Disclosure of interests in other entities**: IFRS 12 establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The Company's disclosure requirements in respect of IFRS 12 are contained in Note 14 of these condensed consolidated financial statements.

d) **IFRS 13 – Fair Value Measurement**: IFRS 13 provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at October 1, 2013. The Company did not have any additional disclosure requirements in respect of IFRS 13 as the Company does not currently have assets or liabilities carried at fair value.

e) **IAS 1 Amendment - Presentation of Items of Other Comprehensive Income:** The Company adopted the amendments to IAS 1 which required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. The adoption of IAS 1 did not result in any adjustments to other comprehensive income or comprehensive income.

f) **IAS 19R – Employee Benefits**: The amended version of IAS 19 changes the way defined benefit plans and termination benefits are accounted for, in order to improve the recognition, presentation and disclosure of these types of plans. The revised standard has a particular impact on the amounts presented in profit or loss and other comprehensive income. The adoption of IAS19R did not have an effect on the Company's consolidated financial statements.

4. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

g) **Amendments to IFRS 7 – Financial Instruments - disclosures on asset and liability offsetting**: This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with U.S. GAAP.

Annual improvements 2011: These annual improvements address six issues in the 2009-2011 reporting cycle and includes changes to: IFRS 1: First Time Adoption; IAS 1: Financial Statement Presentation; IAS 16: Property, Plant and Equipment; IAS 32: Financial Instruments: Presentation and IAS 34: Interim Financial Reporting.

The IASB has issued the following standards which have not yet been adopted by the Company. Each of the new standards is effective for annual periods beginning on or after January 1, 2014. The Company is completing its assessment of the impact that the new standards will have on its consolidated financial statements.

IFRS 9 – Financial Instruments - classification and measurement: The IASB has suspended the originally planned effective date of January 1, 2015 for IFRS 9. The IASB issued IFRS 9 as the first step in its project to replace IAS 39: Financial Instruments – recognition and measurement. The Company will commence assessing the impact of this new standard upon the announcement of its new effective date.

Amendment to IAS 32 – Financial Instruments – presentation: These amendments are to the application guidance on IAS 31, Financial Instruments: Presentation, and clarify some of the requirements for offsetting assets and financial liabilities on the statement of financial position.

Amendment to IAS 36 – Impairment of Assets: This amendment addresses the disclosure of information regarding the recoverable amount of impaired assets is that amount is based on fair value less costs of disposal.

Financial Instruments: Recognition and Measurement Amendment to IAS 39 – Novation of Derivatives: This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counter party meets specified criteria.

IFRIC 21 – Levies: This is an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event, known as an obligating event. The interpretation clarifies that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

5. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same those that applied to the financial statements for the year ended September 30, 2013.

6. VIZCACHITAS LIMITED AND GEMMA PROPERTIES GROUP LIMITED

In 2007, the Company acquired all of the issued and outstanding shares of Vizcachitas Limited, a company that at that time indirectly owned a majority interest in the claims making up the Vizcachitas Property (the "Initial Acquisition"). The seller of Vizcachitas Limited was granted net smelter royalties of 2% on revenues generated from open pit operations and 1% on revenues generated from underground operations on certain of the claims comprising the Vizcachitas Property.

6. VIZCACHITAS LIMITED AND GEMMA PROPERTIES GROUP LIMITED (continued)

Vizcachitas Limited owns 399 of the 400 issued and outstanding shares in Compañía Minera Vizcachitas Holding ("CMV"), a company incorporated under the laws of Chile. The remaining share in CMV is owned by the Company. At the time of the Initial Acquisition, CMV owned the following interests in the Vizcachitas Property:

1. 51% of the shares of Sociedad Legal Minera San José Uno de Lo Vicuña, El Tártaro y Piguchén de Putaendo ("San José SLM"), a Chilean Sociedad Legal Minera ("SLM") which is the owner of the San José mining concessions (the "SJ Concessions");

2. 30 mining rights (the "Mining Rights"), of which 27 were existing exploitation mining concessions encircling the SJ Concessions and 3 were exploration mining concessions in process of constitution (exploration claims); and

3. Five additional exploitation mining concessions (the "Additional Concessions"), which also encircle the SJ Concessions, and were subject to an option agreement completed in 2010.

The Additional Concessions, together with the SJ Concessions and the Mining Rights, are referred to as the "Property".

All of the Property, with the exception of the SJ Concessions, is subject to NSR royalties of 2% on any surface production and 1% on any underground production. The SJ Concessions are subject to NSR royalties of 1.02% on surface mining and 0.51% on underground mining.

In 2010, the Company completed the consolidation of the Vizcachitas Property through the acquisition (the "TBC Transaction") from Turnbrook Corporation ("TBC") of all of the issued and outstanding securities of Gemma Properties Group Limited ("GPGL"). GPGL owns 99 of the 100 issued and outstanding shares of Inversiones Los Patos S.A. ("Los Patos"). The remaining share in Los Patos was transferred to the Company. Los Patos is the legal and beneficial owner of 49% of the issued and outstanding shares of the San Jose SLM. With this transaction, the entire resource contained in the Vizcachitas property came under unified ownership.

In accordance with the terms and conditions of the TBC Transaction, the Company issued to TBC 35,000,000 common shares in the capital stock of the Company together with 13,000,000 warrants (the "Warrants") to purchase common shares of the Company, exercisable at a price of $0.15 per share to December 21, 2013. The Warrants were exercised in the year ended September 30, 2012.

At March 31, 2014, the Company had the right to a total of 81 exploration concessions and 38 exploitation concessions.

At March 31, 2014, TBC owned 25% of the issued and outstanding shares of the Company. TBC has the right to require Los Andes to first offer to TBC and/or to TBC nominees the right to purchase a pro rata share of any new securities to be issued or sold by the Company at the same price and on the same terms offered on the sale of such securities.

7. UNPROVEN MINERAL RIGHT INTERESTS

As at March 31, 2014 all of the Company's mineral right interests are 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.

(Expressed in Canadian Dollars)

7. UNPROVEN MINERAL RIGHT INTERESTS (continued)

	Total costs to September 30, 2012	Costs incurred in year ended Sept. 30, 2013	Total costs to Sept. 30, 2013	Costs incurred in six months ended March 31, 2014	Total costs to March 31, 2014
VIZCACHITAS					
Acquisition costs	54,562,243	-	54,562,243	-	54,562,243
Water rights (Note 8)	4,122,611	-	4,122,611	-	4,122,611
Deferred exploration					
Automobile and travel	71,424	16,943	88,367	5,544	93,911
Assaying	137,926	1,732	139,658	-	139,658
Camp rehabilitation, maintenance and security	607,270	168,162	775,432	84,122	859,554
Core handling and storage	32,378	536	32,914	-	32,914
Drilling	3,477,236	-	3,477,236	-	3,477,236
Equipment and equipment rental	434,013	-	434,013	-	434,013
Exploration administration	797,766	265,184	1,062,950	118,685	1,181,635
Food and accomodation	175,021	1,171	176,192	113	176,305
Geological consulting	286,402	96,129	382,531	49,162	431,693
Other	47,037	21,631	68,668	(858)	67,810
Property & surface rights, taxes & tenure fees	602,841	126,224	729,065	98,942	828,007
Road repairs	33,686	387	34,073	-	34,073
Studies and other consulting	968,447	438,337	1,406,784	63,314	1,470,098
Subcontractors	1,269,366	-	1,269,366	-	1,269,366
Supplies	526,307	5,152	531,459	1,452	532,911
Sustainable development	9,602.00	19,866	29,468	33	29,501
	9,476,722	1,161,454	10,638,176	420,509	11,058,685
Exchange rate differences	(62,737)	(959,816)	(1,022,553)	-	(1,022,553)
	$ 68,098,839	$ 201,638	$ 68,300,477	$ 420,509	$ 68,720,986

8. ACONCAGUA RIVER WATER RIGHTS

During the year ended September 30, 2008 the Company entered into an agreement to purchase a 250 litres per second (lps) water right, which is an entitlement to permanent, continuous, consumptive use of 250 lps of flow from the Aconcagua River located near the Vizcachitas Property. Under the terms of the agreement, the Company paid the vendor US$17,000 per lps, for a total purchase price of $4,252,021 (US$4,250,000).

9. ROCIN RIVER HYDROLECTRIC PROJECT

On January 22, 2014, Los Andes received approval from the TSX-V for the acquisition by the Company from Turnbrook Mining Ltd. ("TBML") 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 project generation facility (the "Acquisition").

Los Andes received written consents for the Acquisition from shareholders holding 61.5% of the disinterested shares in the capital of Los Andes. Consideration for the Acquisition consisted of 37,500,000 Los Andes shares, valued at a share price of $0.22, for total consideration of $8,250,000.

At March 31, 2014, TBML owned 23% of the issued and outstanding shares of the Company.

10. BORROWINGS

Los Andes has received loans from TBML on the dates and for the amounts set out below. All loans are evidenced by a Promissory Note due and payable no later than on the day that is 14 calendar days following the date written notice of demand for payment from TBML is delivered to Los Andes. Interest on the notes compounds annually not in advance, both before and after maturity or default. The applicable interest rate is 0.5% per month.

a) January 10, 2014: US$100,000.
b) January 23, 2014: US$100,000.
c) March 21, 2014: US$165,000.

Subsequent to March 31, 2014, Los Andes received a loan of US$90,000 from TBML (Note 17).

Interest of $2,911 has been accrued to March 31, 2014 in connection with the Borrowings.

11. CAPITAL AND EQUITY RESERVE

Capital

Authorized – Unlimited common shares without par value.

During the three months ended March 31, 2014, Los Andes issued 37,500,000 shares as consideration for the acquisition of non-consumptive water rights and technical studies for the development of a run-of-river hydroelectric project generation facility (Note 9).

There were no shares issued during the year ended September 30, 2013.

Equity reserve

Equity reserve consists of the accumulated fair value of common share options and share purchase warrants recognized as share-based payments and share purchase warrants issued on acquisitions of unproven mineral rights. A summary of the Company's equity reserve is included in the Condensed Consolidated Interim Statements of Changes in Equity, which are an integral part of these financial statements.

During the year ended September 30, 2013, the Company granted 500,000 share options to a consultant company (Note 12). 100,000 of the options granted vested at the time of grant. The remaining 400,000 options will vest in accordance with performance milestones set by the Company, none of which were met by March 31, 2014. The weighted average fair value of these options was estimated at $0.1678 per option at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

- Weighted average share price: $0.50
- Weighted average exercise price: $0.50
- Dividend yield: 0%
- Risk-free interest rate: 1.46%
- Pre-vest forfeiture rate: 0%
- Expected life (years): 5 years

(Expressed in Canadian Dollars)

11. CAPITAL AND EQUITY RESERVE (continued)

- Expected volatility: 103.71%

A compensation cost of $16,755 associated with vested options was recognized during the year ended September 30, 2013.

12. SHARE OPTIONS

The Company has a share option plan under which it is authorized to grant options to executive officers, employees and consultants, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option is set at the market price of the Company's stock on the day preceding the date of grant. The options can be granted for a maximum term of five years. Vesting provisions for share options, if any, are set at the discretion of the Company's Board of Directors.

At March 31, 2014, the Company had outstanding share options enabling the holder to acquire 500,000 common shares as follows:

Number of Shares	Exercise Price	Expiry Date
500,000	$ 0.50	June 1, 2018
500,000		

Of the above share options, a total of 100,000 options were vested and exercisable on March 31, 2014.

The continuity of the number of share options outstanding is summarized as follows:

	Number of Options	Weighted Average Exercise Price ($)
Options outstanding, September 30, 2013 and March 31, 2014	500,000	0.50
Exercisable, September 30, 2013 and March 31, 2014	100,000	0.50

At March 31, 2014, the weighted average exercise price of options outstanding was $0.50 (September 30, 2013: $0.50) and their weighted average remaining contractual life was 4.17 years (September 30, 2013: 4.67 years).

13. RELATED PARTY TRANSACTIONS

Details of transactions between the Company and its related parties are discussed below:

a. Trading transactions

As at March 31, 2014, the Company's related parties consist of a company controlled by the Company's President and Chief Executive Officer ("CEO"), a company controlled by the company's Chairman, a company controlled by a former director of the Company, a company controlled by the Company's Chief Financial Officer ("CFO") and a company controlled by the Company's Corporate Secretary.

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS (continued)

	Nature of Transaction
Kasheema International Ltd.	Management
Zeitler Holdings Corp	Management
Oak Investments and Advisory Ltd.	Management
Delphis Financial Strategies Inc	Management
Michael J. Kuta Law Corporation	Legal Services

The Company incurred the following fees and expenses in the normal course of operations with companies controlled by key management and/or to directors. Details are provided in the following tables.

	Note	For the six months ended March 31,	
		2014	2013
Management and consulting fees	(i)	**153,388**	160,379
Directors' fees	(ii)	**13,500**	11,125
Legal services	(v)	**33,170**	18,000
		200,058	189,504

i. During the six months ended March 31, 2014, the Company incurred management and consulting fees of $153,388 (2013: $160,379) for services payable to companies controlled by the Company's Chairman, President and CEO, CFO and a former director.

ii. During the six months ended March 31, 2014, the Company incurred directors' fees of $13,500 (2013: $11,125).

iii. During the six months ended March 31, 2014, the Company incurred legal service fees of $33,170 (2013: $18,000) payable to a company controlled by the Company's Corporate Secretary.

iv. Included in trade and other payables as at March 31, 2014 is $121,820 (September 30, 2013: $22,895) owing to related parties.

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

b. Compensation of key management personnel

The remuneration of the Company's key management personnel is as follows:

		For the six months ended March 31,	
		2014	2013
Management, consulting and legal fees	(i)	**186,558**	178,379

No share-based payments to key management personnel were paid in the six months ended March 31, 2014 or 2013.

Management, geological and legal fees include those disclosed in the table above.

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS (continued)

Key management personnel were not paid post-employment, termination or other long-term benefits during the six months ended March 31, 2014 or the year ended September 30, 2013.

The above transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

14. SEGMENTED INFORMATION

At March 31, 2014 the Company has three reportable operating segments: mineral exploration, hydroelectric project and corporate.

The Company operates in two geographical areas, Canada and Chile.

Operating segments

		Six months ended March 31,		
		2014		2013
Net loss				
Mineral exploration	$	**(10,471)**	$	(5,392)
Hydroelectric project		**(24,737)**		-
Corporate		**(337,539)**		(270,901)
	$	**(372,747)**		(270,901)

		March 31, 2014		September 30, 2013
Assets				
Mineral exploration	$	**68,790,986**	$	68,300,477
Hydroelectric project		**8,250,000**		-
Corporate		**1,607,639**		1,826,765
	$	**78,648,625**	$	70,127,242

(Expressed in Canadian Dollars)

14. SEGMENTED INFORMATION (continued)

Geographic segments

		Six months ended March 31, 2014		2013
Net loss				
Canada	$	**(337,539)**	$	(270,901)
Chile		**(35,208)**		(5,392)
	$	**(372,747)**		(276,293)

		March 31, 2014		September 30, 2013
Assets				
Canada	$	**27,559**	$	163,537
Chile		**78,621,066**		69,988,784
	$	**78,648,625**	$	70,152,321

15. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing activities

In the six months ended March 31, 2014 and 2013, the Company incurred the following non-cash financing transactions:

- During the three months ended March 31, 2014, the Company issued 37,500,000 shares valued at $8,250,000 for the acquisition of of non-consumptive water rights and technical studies for the development of a run-of-river hydroelectric project generation facility (Note 9).
- At March 31, 2014, net exploration costs included in accounts payable and accrued liabilities were $141,323 (September 30, 2013: $114,624).

		Six months ended March 31, 2014		2013
Cash received for interest	$	**122**		3,293
		March 31, 2014		September 30, 2013
Cash	$	**39,029**	$	54,835
Cash equivalents		**-**		188,325
	$	**39,029**	$	243,160

16. COMMITMENTS AND CONTINGENCIES

Compañía Minera Vizcachitas Holding has entered into a lease agreement for the lease of office premises in Santiago, Chile. The commencement date of the lease was July 1, 2012, for an initial two year term, which has been extended for a further year. The Company's share of basic rent commitments for the remaining term of the contract is approximately $60,000.

During 2008 the Municipality of Putaendo in Chile filed a claim against CMV for alleged illegal intervention of river beds of the Rocin River. The Chilean General Department of Waters ("DGA") accepted this claim but subsequently issued a final ruling declaring this matter resolved as the natural course of the Rocin River had been restored by rising river currents.

Also in 2008, a second claim for alleged illegal intervention of river beds of the Rocin River was filed by the Municipality of Putaendo against CMV. CMV, through its Chilean legal counsel, also filed an answer to this claim.

Although the final DGA decision on this second claim is pending, the Company expects it to be resolved on the same terms and for the same reason as was the first claim.

No amount has been recorded by the Company in respect of the unresolved claim as the amount, if any, is not determinable.

17. SUBSEQUENT EVENTS

Further to the borrowings described in Note 10, on April 24, 2014 Los Andes received an additional loan of US$90,000 from TBML, evidenced through a Promissory Note due and payable no later than the day that is 14 calendar days following the date written notice of demand for payment from TBML is delivered to Los Andes. Interest on the note compounds annually not in advance, both before and after maturity or default. The applicable interest rate is 0.5% per month.