



Dear Los Andes Subscriber,

I joined Los Andes Copper in Q4 of 2021, following a year where electrification was really starting to catch on. The uptick in electric vehicle sales surprised some and mining majors started to talk more about the materials the world would need for this new, green economy: chief among these materials is copper. Los Andes' 100% owned Vizcachitas copper project is a rare asset that is being developed in a time when demand for the metal is accelerating.

It is interesting that many know that electrification is coming and they know of the use of copper but the scale of new copper demand is still being compiled and realized.

Los Andes' world-class asset, host of 11.2 billion pounds of copper, 400 million pounds of molybdenum, and 43.4 million troy ounces of silver* and located in the globally significant Chilean copper belt, is the reason I'm immensely excited to be a part of the team. As a geological engineer, I undertook extensive due diligence on the project and was astounded at the scale and quality of the deposit, as well as the technical standard to which it has been explored and engineered to date. Despite its rarity, in my view, it remains largely overlooked by the investment community.

It is also important to note that we are drilling and results are expected soon. We have not found the limits of this amazing ore body.

I am pleased to have been appointed to lead Los Andes as CEO and it is a pleasure to work closely with the strong team and communicate their excellent work and this world class asset to the investment community. We plan to maximize the value of the project for all the stakeholders, including shareholders, governments and the community. I look forward to reporting the progress we make over the course of 2022 in these quarterly newsletters, in what is set to be an extremely exciting and pivotal year for Los Andes.

Kind regards,

R. Michael Jones, CEO

** Copper equivalent grade has been calculated using the following expression: $CuEq (\%) = Cu (\%) + 3.33 \times Mo (\%) + 82.6389 \times Ag (\%)$, 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*



R. Michael Jones, CEO

This quarter began with the announcement that Los Andes Copper (“Los Andes”) had appointed experienced CEO, and qualified mining engineer, R. Michael Jones, as Chief Executive Officer of the Company. Michael joins Los Andes following an extensive career in developing mining projects, including his time spent at Platinum Group Metals where Mr. Jones created several joint ventures with major mining houses, raised over \$750 million institutionally and built a mine.

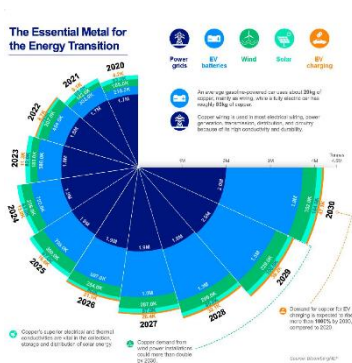
In November, the Company announced it had commenced a drilling campaign at Vizcachitas in order to: explore the deeper parts of the classic porphyry copper deposit at Vizcachitas; explore the open part of the deposit to the north and northeast; and fill in areas of drilling in advance of finalization of the resources for the upcoming Pre-Feasibility Study. The initial planned drilling is for 13,000 metres in 18 holes including three deep holes to satisfy the first two objectives. Drilling is expected to continue into Q1 2022.

Los Andes also began trading on OTCQX, an important step which will provide transparent trading for U.S. investors.

Also this quarter, Los Andes announced it had elected to issue 4,432 common shares in the capital of the Company at a deemed price of US\$8.46 (C\$10.59) to Queen's Road Capital as payment for US\$37,495 (C\$46,935) in interest owing on the Convertible Debenture, announced June 2nd 2021.



Copper Industry Update



Over the course of this quarter, the global demand for an increase in copper supply was frequently reported. [Mining.com](https://www.mining.com) published a model highlighting the considerable volumes of the metal needed to satisfy the development of alternative energy supplies such as EV batteries, power grids, solar panels and EV charging ports. The article showed how, although recyclable, continued mining for new copper is imperative to sustain an ever-increasing demand.

Reports of droughts in Chile caused mining majors to focus on actions that meant they could continue operating such as those proposed by Antofagasta with its seawater desalination plant, coming online in 2022, and an investment of US\$50 million from Codelco over three years on water initiatives to improve efficiency of use. Other initiatives include cloud seeding, a process where small particles of silver iodide are inserted into the clouds via drones and aircrafts that cause water droplets to cluster and subsequently increasing the chances of precipitation, currently being considered by Codelco.

A [report by Roskill](#) forecasted total copper consumption will exceed 43 million tonnes by 2035, driven by population and GDP growth, urbanization and electricity demand, highlighting the disparity between what is needed and what is currently being mined (total world mine production in 2020 was only 20Mt). Copper is essential in civil infrastructure renewal and is currently the subject of explosive demand due to its uses in the global green transition to meet carbon emissions targets. [BloombergNEF](#) stated that copper miners would be required to double the amount of global copper production in the next 20 years just to meet the demand for electric vehicles.



This demand and tightening supply prompts an urgency for miners to acquire new deposits that replace depleting reserves and resources. Without this, Commodities Research Unit (CRU) predicts global copper mined production will drop from the current 20Mt to below 12Mt by 2034, leading to a supply shortfall of more than 15Mt. Although there will be a strain to meet the demand facing the copper industry, it is not deemed an impossible goal if major investments in copper exploration, at a whole new scale, are achieved. [Mining.com](#) commented that ‘any copper junior with a deposit of significant size and grades, will have no problem attracting a major or mid-tier acquirer, that can help finance a future copper mine and bring it to commercial production’.

Press Releases: Keep Up to Date with Los Andes Copper’s Recent Announcements

October 27th - Los Andes Copper Announces the Appointment of R. Michael Jones as the Company's Chief Executive Officer [Read More](#)

November 10th - Los Andes Copper Starts Additional Drilling Program at Vizcachitas Copper Project in Chile [Read More](#)

November 24th - OTC Markets Group Welcomes Los Andes Copper Ltd. to OTCQX [Read More](#)

November 24th - Los Andes Copper Starts Trading on the OTCQX [Read More](#)

December 1st - Los Andes Copper Announces Election to Issue Common Shares in Satisfaction of US\$5 Million Convertible Debenture Interest Payment Obligation [Read More](#)

