

LOS ANDES COPPER LTD.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

LOS ANDES COPPER LTD.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

LOS ANDES COPPER LTD.

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

	Note	December 31, 2025 \$	September 30, 2025 \$
Assets			
Current Assets			
Cash and cash equivalents		20,633,087	22,792,229
Receivables		426,740	269,615
Prepaid expenses and deposits		239,112	203,062
		21,298,939	23,264,906
Non-Current Assets			
Property, plant and equipment		164,602	201,936
Mineral right interests	5	76,996,301	72,447,480
Hydro-electric project water rights	5	8,250,000	8,250,000
		85,410,903	80,899,416
Total Assets		106,709,842	104,164,322
Liabilities			
Current Liabilities			
Trade payables and other liabilities	8	740,500	517,201
Lease liability short-term	11	93,439	131,434
Convertible debenture short-term	6	6,556,445	6,479,932
Derivative liability – conversion feature	6	59,394	197,941
Interest payable on convertible debenture	6	130,376	127,290
		7,580,154	7,453,798
Non-Current Liabilities			
Convertible debentures long-term	6	10,301,170	10,160,824
Derivative liability – conversion feature	6	82,489	183,498
DSU liability	7(e), 8	1,798,067	1,352,666
Deferred income tax		4,264,418	4,264,418
		16,446,144	15,961,406
Total Liabilities		24,026,298	23,415,204
Shareholders' Equity			
Share capital	7	123,666,087	123,514,410
Reserve	7	5,699,902	5,657,059
Deficit		(38,719,262)	(37,305,872)
Accumulated other comprehensive loss		(7,963,183)	(11,116,479)
Total Equity		82,683,544	80,749,118
Total Liabilities and Shareholders' Equity		106,709,842	104,164,322

Nature of operation and continuance of business (Note 1)
Subsequent events (Note 13)

Approved by the Board of Directors on February 25, 2026:

"Frank O'Kelly"

Director

"Francisco Covarrubias"

Director

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

LOS ANDES COPPER LTD.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three Months Ended December 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars)

	Note	2025	2024
		\$	\$
Expenses			
Consulting, salaries, management and directors' fees	8	150,073	189,136
Depreciation	11	49,196	36,123
Interest	6, 11	397,635	397,355
Accretion	6	484,127	399,065
Office and administration		122,932	112,655
Professional fees	8	84,517	44,693
Shareholder communications		71,534	74,658
Share-based compensation	7, 8	103,643	37,410
Transfer agent, filing and regulatory fees		19,933	15,441
		1,483,590	1,306,536
Hydro-electric project			
Professional fees		1,421	1,331
		1,421	1,331
Loss before other items		(1,485,011)	(1,307,867)
Other items			
Foreign exchange (loss) gain		(19,908)	458,549
Change in fair value of derivative liability	6	239,555	92,496
Change in fair value of DSU liability	7(e)	(384,600)	108,479
Interest income		236,574	317,924
		71,621	977,448
Net loss		(1,413,390)	(330,419)
Other comprehensive income (loss)			
Items that may be reclassified to profit or loss:			
Current translation adjustment		3,153,296	(1,503,664)
Total comprehensive income (loss) for the period		1,739,906	(1,834,083)
Loss per share, basic and diluted		(0.05)	(0.01)
Weighted average number of shares outstanding, basic and diluted		29,550,070	29,535,974

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

LOS ANDES COPPER LTD.

Condensed Interim Consolidated Statements of Changes in Equity
For the Three Months Ended December 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars)

	Common Shares	Share Capital	Equity reserve ¹	Accumulated other comprehensive loss	Deficit	Total
	#	\$	\$	\$	\$	\$
Balance, September 30, 2024	29,535,974	123,427,446	5,713,944	(9,646,129)	(32,895,718)	86,599,543
Share-based compensation	-	-	12,403	-	-	12,403
Net loss and comprehensive loss	-	-	-	(1,503,664)	(330,419)	(1,834,083)
Balance, December 31, 2024	29,535,974	123,427,446	5,726,347	(11,149,793)	(33,226,137)	84,777,863
Option exercise	11,348	86,964	(86,964)	-	-	-
Share-based compensation	-	-	17,676	-	-	17,676
Net loss and comprehensive loss	-	-	-	33,314	(4,079,735)	(4,046,421)
Balance, September 30, 2025	29,547,322	123,514,410	5,657,059	(11,116,479)	(37,305,872)	80,749,118
Shares issued pursuant to interest payment	16,853	151,677	-	-	-	151,677
Share-based compensation	-	-	42,843	-	-	42,843
Net loss and comprehensive loss	-	-	-	3,153,296	(1,413,390)	1,739,906
Balance, December 31, 2025	29,564,175	123,666,087	5,699,902	(7,963,183)	(38,719,262)	82,683,544

¹ Reserve consists of fair values of stock options, performance shares and finder's warrants

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

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Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended December 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars)

	2025	2024
	\$	\$
Cash provided by (used in):		
Operating activities		
Net income (loss)	(1,413,390)	(330,419)
Items not affecting cash:		
Accretion	484,127	399,065
Depreciation	49,196	36,123
Change in fair value of derivative liability	(239,555)	(92,496)
Change in fair value of DSU liability	384,600	(108,479)
Interest expense	397,635	407,366
Share-based compensation	103,644	12,403
Management and director fees settled in DSUs		59,684
Changes in non-cash working capital items:		
Prepaid expenses and deposits	(36,050)	5,129
Receivables	(157,125)	(300,825)
Trade payables and other liabilities	168,295	(80,460)
Net cash used in operating activities	(258,623)	7,091
Investing activity		
Mineral right interests	(1,668,735)	(1,095,727)
Net cash used in investing activities	(1,668,735)	(1,095,727)
Financing activities		
Repayment of lease liability	(121,120)	(29,961)
Interest on convertible debentures - cash	(1,567,054)	(392,109)
Net cash used in financing activities	(1,688,174)	(422,070)
Change in cash for the period	(3,615,532)	(1,510,706)
Effect of exchange rate changes on cash	1,456,390	1,081,728
Cash and cash equivalents, beginning of period	22,792,229	29,317,948
Cash and cash equivalents, end of period	20,633,087	28,888,970

See Note 10 for supplemental cash flow information.

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Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended December 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATION AND CONTINUANCE OF BUSINESS

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

Los Andes was incorporated under the Business Corporations Act (British Columbia) in 1983 and is listed on the TSX Venture Exchange ("TSX-V") under the symbol "LA". Its principal office is located at Suite 1100-1199 West Hastings Street, Vancouver, B.C. V6E 3T5, Canada.

These condensed interim consolidated financial statements include the accounts of Los Andes and of its controlled subsidiaries (collectively, the "Company"): Vizcachitas Limited, Compañía Minera Vizcachitas Holding ("CMVH"), Sociedad Legal Minera San José Uno de Lo Vicuña El Tártaro y Piguchén de Putaendo ("San José SLM"), Gemma Properties Group Limited, Inversiones Los Patos S.A, DK Corporation, Rocín SPA, Hidroeléctrica de Pasada Rio Rocín SPA and Sociedad Los Juncos de la Unión SPA.

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

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Notwithstanding the above, the Company's business activities are in the development stage, the Company has a history of recurring losses and no source of revenue or operating cash flow. Operations in recent years have been funded from the issuance of share capital and cash on hand. Given its current stage of operations, the Company's ability to continue as a going concern is contingent on its ability to continue to obtain additional financing. In the event the Company is unable to raise adequate financing or meet its current obligations, the carrying value of the Company's assets could be subject to material adjustments.

These condensed interim consolidated financial statements do not reflect adjustments to the carrying values of assets and liabilities which may be required should the Company be unable to continue as a going concern.

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

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on February 25, 2026 and have been prepared in accordance with the IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

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Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2025, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended September 30, 2025.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

For full details on the critical accounting estimates and judgements affecting the Company, please refer to the Company’s annual consolidated financial statements and notes for the year ended September 30, 2025.

4. THE VIZCACHITAS PROPERTY

In 2007, the Company acquired all of the issued and outstanding shares of Vizcachitas Limited which, at the time, owned a majority of the claims making up the Vizcachitas Property. Vizcachitas Limited owned 51% of the shares of San José SLM which owned the San José mining concessions (the “SJ Concession”) and an additional 35 mining rights and concessions (the “Initial Properties”) that comprised part of the Vizcachitas Property. In 2010, the Company completed the consolidation of the Vizcachitas Property through the acquisition from Turnbrook Corporation of all of the issued and outstanding securities of Gemma Properties Group Limited (“Gemma”), who indirectly owned 49% of the issued and outstanding shares of the San Jose SLM. With this transaction, the entire resource contained in the Vizcachitas Property came under unified ownership.

At December 31, 2025, the Company owns 52 exploitation mining concessions covering 10,771 hectares and 187 exploration claims covering a combined total of 47,440 hectares (including the Initial Properties). The Company is subject to Net Smelter Returns (“NSR”) royalty payments calculated on the basis of a production royalty from mineral produced at the Initial Properties, including the SJ concessions, of 1.125% on any underground production and 2.25% on any surface productions.

Royalty Purchase Agreement

On December 3, 2019, the Company entered into a Royalty Purchase Agreement and a Net Smelter Returns Royalty Agreement (the “First Agreements”) with RCF VI CAD LLC (“RCF”), a limited liability corporation in the State of Delaware. Pursuant to the First 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 proceeds, net of finder’s fees and transaction expenses reimbursed to RCF, were accounted for as a recovery of costs incurred on the Vizcachitas Property.

As long as RCF (or its associates or affiliates) holds all or any part of the Royalty, or holds, directly or indirectly, 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, subject to the terms as described.

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Pursuant to the First Agreements, 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 1% for underground mining methods and 2% for open pit mining methods.

The obligations of the Company under the First Agreements 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.

On February 9, 2021, Metalla Royalty & Streaming Ltd. (formerly Nova Royalty Corp.) acquired RCF's NSR of 0.49% on underground production and 0.98% for open pit production on the SJ Concession.

Second Royalty Purchase Agreement

On June 25, 2020, the Company entered into a Royalty Purchase Agreement and a Net Smelter Returns Royalty Agreement (the "Second Agreements") with RCF. Pursuant to the Second Agreements, the Company received US\$9,000,000 as consideration for future payments calculated on the basis of an NSR of 1% for underground production and 2% for open pit production 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.

In the event of an RCF sale prior to the commencement of commercial production of the Vizcachitas Project by the Company or an affiliate, RCF will pay a contingent royalty purchase price up to US\$5 million.

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 right of first offer to provide future royalty or stream financing as described in the First Agreements above applies to Royalty 2.

Pursuant to Royalty 2, the Company 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.

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, RCF has the option to:

- sell Royalty 2 to the Company 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 Royalty 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 the Company under the Second Agreements 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

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Chile and granted by CMVH in favour of RCF, subject to existing obligations of the Company and the Guarantor.

Ecora Royalty Agreement

On August 3, 2023, the Company closed the royalty agreement (the “Ecora Royalty”) with Ecora Resources PLC (“Ecora”) for total cash consideration of US\$20,000,000. The Ecora Royalty is calculated over the sale of all minerals produced from the Company's Vizcachitas Project in Chile. Ecora will receive royalty payments on the basis of an NSR of 0.125% for underground production and 0.25% NSR for open pit production.

The proceeds, net of finder's fees and transaction costs, were accounted for as a recovery of costs incurred on the Vizcachitas Property.

In the event that productions are delayed the NSRs will increase as follows:

- If delays extend beyond June 30, 2030, and up to June 30, 2031, the royalties will increase to 0.05% for underground production and 0.10% for open pit production;
- If delays extend beyond June 30, 2031, and up to June 30, 2032, the royalties will increase, a second time, by an additional 0.05% for underground operations and 0.10% for open pit operations;
- If delays extend beyond June 30, 2032, the royalties will increase, a third time, by an additional 0.05% for underground operations and 0.10% for open pit operations; and
- The Company has the option to avoid the second and third rate increases by paying, at the time each of the rate increases are triggered, an amount equal to US\$15,000,000 or US\$20,000,000 (if copper prices at that time exceed US\$5/lb).

The obligations of the Company under the Ecora Royalty are guaranteed by the Company's subsidiary Sociedad Legal Minera San Jose Uno De Lo Vicuna, El Tartaro Y Piguchen De Putaendo (the “Guarantor2”), 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 Guarantor2 in favour of Ecora, subject to existing obligations of the Company and the Guarantor2.

Franco Nevada Agreement

On July 29, 2024, as part of the Company's continued progression of the Vizcachitas Project and in anticipation of commencement of commercial operations, the current royalty agreement with Franco-Nevada LRC Holdings Corp. (“Franco Nevada”), dated February 8, 2007, was streamlined, simplifying its execution once the Vizcachitas Project begins production. As part of the streamlining, Los Andes received US\$1,020,000. Franco Nevada holds a 51% interest of a 2% open pit Net Smelter Royalty (“NSR”) and 1% underground NSR covering the San Jose core claim of the Vizcachitas Project. It also holds a 2% NSR over the sale of all minerals produced from open pit operations and a 1% NSR on underground operations on certain concessions that form part of the extended Vizcachitas Project and the Company's mining concessions in the area.

As at December 31, 2025, the Company is subject to NSR royalty payments calculated on the basis of a production royalty from minerals produced at the Initial Properties, including the SJ Concession, of 1.125% on any underground production and 2.25% on any surface production.

Proceeds received under the NSR agreements have been credited against the carrying costs of the Company's mineral right interests. See Note 5.

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

The Company has the right to certain exploration concessions and exploitation concessions located in Region V, Chile. Title to mining right interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining right interests. The Company has investigated title to all of

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(Unaudited - Expressed in Canadian dollars)

its mineral right interests, and to the best of its knowledge, all of its mineral right interests are in good standing.

	Total costs to September 30, 2024 \$	Costs incurred (recovered) in year ended September 30, 2025 \$	Total costs to September 30, 2025 \$	Costs incurred (recovered) in period ended December 31, 2025 \$	Total costs to December 31, 2025 \$
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	5,088,192	325,678	5,413,870	325,678	5,739,548
Deferred exploration					
Automobile and travel	817,296	20,411	837,707	8,911	846,618
Assaying	725,362	-	725,362	-	725,362
Camp rehabilitation, maintenance and security	4,212,987	100,518	4,313,505	41,262	4,354,767
Core handling and storage	32,914	-	32,914	-	32,914
Drilling	12,770,774	40,061	12,810,835	24,574	12,835,409
Equipment and equipment rental	645,576	-	645,576	-	645,576
Exploration administration	15,618,987	2,154,825	17,773,812	679,160	18,452,972
Food and accommodation	385,079	-	385,079	-	385,079
Geological consulting (Note 8)	4,146,924	479,987	4,626,911	249,802	4,876,713
Other	576,820	264,179	840,999	177,123	1,018,122
Property & surface rights, taxes & tenure fees	3,269,107	577,905	3,847,012	933	3,847,945
Road repairs	147,368	36,512	183,880	1,568	185,448
Studies and other consulting	8,075,127	470,685	8,545,812	183,280	8,729,092
Subcontractors	1,269,366	-	1,269,366	-	1,269,366
Supplies	910,680	-	910,680	-	910,680
Sustainable development	495,233	87,541	582,774	31,447	614,221
Warehouse Maintenance	64,548	-	64,548	-	64,548
Total deferred exploration	54,164,148	4,232,624	58,396,772	1,398,060	59,794,832
Royalty agreements (Note 5)	(38,097,630)	-	(38,097,630)	-	(38,097,630)
Exchange rate differences	(11,900,391)	(1,873,152)	(13,773,543)	2,825,083	(10,948,460)
	69,762,330	2,685,150	72,447,480	4,548,821	76,996,301

Included within mineral right interests are:

- a) Water rights to a permanent, continuous and consumptive use of 500 liters per second ("lps") flow from the Aconcagua River, located near the Vizcachitas Property;
- b) VAT tax credits available in Chile, originating from deferred exploration expenses; and
- c) Hydro-electric Project Water Rights

In 2014, the Company acquired non-consumptive water rights over a section of the Rocin River, Putaendo, Region V, Chile, together with the engineering and other studies and reports for the development of a hydroelectric facility (the "Hydro-electric Facility"). Consideration for the acquisition consisted of 3,750,000, Los Andes shares, valued at a price of \$2.20 per share, for total consideration of \$8,250,000. The Hydro-electric Facility, once developed, will support commercial operations on the Vizcachitas Property.

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(Unaudited - Expressed in Canadian dollars)

6. CONVERTIBLE DEBENTURES

On June 1, 2021 (the “Closing Date”), the Company entered into an agreement with Queen’s Road Capital Investment Ltd. (“QRC”), whereby QRC invested US\$5,000,000 in the Company by way of convertible debenture (the “First Convertible Debenture”). The First Convertible Debenture has a five-year term, carries an eight percent coupon and is convertible into common shares in the capital of the Company at a price of \$10.82 per share (the “Conversion Price”). The interest is payable quarterly in cash or at the Company’s discretion, as low as five percent in cash and three percent in shares, at the 20-day volume weighted average price (“VWAP”) prior to the interest payment date. Interest expense of \$141,535 (US \$100,000) (2024: \$143,890) was recognized during the three months ended December 31, 2025, and as at December 31, 2025 \$46,563 (US \$33,973) of interest was payable.

The First Convertible Debenture matures on June 1, 2026. On or after the third anniversary of the Closing Date and prior to the maturity date, the Company may force conversion of the First Convertible Debenture, in whole or in part, at par plus accrued interest provided that the VWAP of the common shares on the TSXV exceeds 130% of the Conversion Price.

As the First Convertible Debenture and the embedded conversion feature are denominated in US dollars and the Company has a Canadian dollar functional currency, they are within the scope of IAS 32 – Financial Instruments: Presentation. The value of the conversion feature is subject to changes in value based on the prevailing exchange rate, resulting in a derivative liability. On initial measurement, the Company fair valued the derivative liability at \$1,991,001 using the Black-Scholes option pricing model, using volatility of 68% and a risk-free interest rate of 0.78%. Transaction costs of \$333,877 were incurred for the First Convertible Debenture and will be amortized over the life of the First Convertible Debenture. The derivative liability is fair valued at each reporting period. On initial measurement, the liability component of the First Convertible Debenture was fair valued at \$4,060,499 and will be amortized to maturity using an effective interest rate of 20.33%.

On April 6, 2022 (the “Second Closing Date”), the Company received a further US\$4,000,000 from QRC by way of convertible debenture (the “Second Convertible Debenture”). The Second 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 “Second Conversion Price”). The interest is payable quarterly, five percent in cash and three percent in shares, at the VWAP prior to the interest payment date. Interest expense of \$113,230 (US \$80,000) (2024: \$109,872) was recognized during the three months ended December 31, 2025 and as at December 31, 2025, \$37,250 (US \$27,178) of interest was payable.

The Second Convertible Debenture matures on April 5, 2027. On or after the third anniversary of the Second Closing Date and prior to the maturity date, the Company may force conversion of the Second Convertible Debenture, in whole or in part, at par plus accrued interest provided that the VWAP of the common shares on the TSXV exceeds 130% of the Second Conversion Price.

On initial measurement, the Company fair valued the derivative liability at \$1,899,034 using the Black-Scholes option pricing model, using volatility of 62% and a risk-free interest rate of 2.48%. Transaction costs of \$221,973 were incurred for the Second Convertible Debenture and will be amortized over the life of the Second Convertible Debenture. The derivative liability is fair valued at each reporting period. On initial measurement, the liability component of the Second Convertible Debenture was fair valued at \$3,123,606 and will be amortized to maturity using an effective interest rate of 22.24%.

On September 2, 2022 (the “Third Closing Date”), the Company received a further US\$5,000,000 from QRC by way of convertible debenture (the “Third Convertible Debenture”). The Third 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 “Third Conversion Price”). The interest is payable quarterly, five percent in cash and three percent in shares, at the VWAP prior to the interest payment date. Interest expense of \$141,535 (US \$100,000) (2024: \$143,890) was recognized during the three months ended December 31,

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2025. As at December 31 2025, \$46,563 (US \$33,973) of interest was payable.

The Third Convertible Debenture matures on September 3, 2027. On or after the third anniversary of the Third Closing Date and prior to the maturity date, the Company may force conversion of the Third Convertible Debenture, in whole or in part, at par plus accrued interest provided that the VWAP of the common shares on the TSXV exceeds 130% of the Third Conversion Price.

On initial measurement, the Company fair valued the derivative liability at \$2,556,322 using the Black-Scholes option pricing model, using volatility of 58% and a risk-free interest rate of 3.30%. Transaction costs of \$236,225 were incurred for the Third Convertible Debenture and will be amortized over the life of the Third Convertible Debenture. The derivative liability is fair valued at each reporting period. On initial measurement, the liability component of the Third Convertible Debenture was fair valued at \$4,010,425 and will be amortized to maturity using an effective interest rate of 22.52%.

The net change in the convertible debentures and the derivative liability balances for the three months ended December 31, 2025 and the year ended September 30, 2025, were as follows:

	Convertible debentures \$	Derivative liability \$	Total \$
Balance, September 30, 2024	14,637,656	1,147,655	15,785,311
Change in fair value	-	(766,216)	(766,216)
Interest and accretion	3,245,585	-	3,245,585
Interest payments	(1,572,424)	-	(1,572,424)
Foreign exchange	457,229	-	457,229
Balance, September 30, 2025	16,768,046	381,439	17,149,485
Change in fair value	-	(239,556)	(239,556)
Interest and accretion	877,853	-	877,853
Interest payments	(396,300)	-	(396,300)
Foreign exchange	(261,608)	-	(261,608)
Balance, December 31, 2025	16,987,991	141,883	17,129,874

As at December 31, 2025, \$130,376 (2024: \$136,873) of interest related to the convertible debentures is payable and recorded as short-term interest payable. As at December 31, 2025 the principal balance owing on the convertible debentures is US\$14,000,000.

Subsequent to December 31, 2025, the Company's VWAP exceeded 130% of the exercise price for the First Convertible Debenture and as a result the Company issued a notice for early conversion.

See Note 10 for supplemental cash flow information.

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7. EQUITY

a) Authorized

Unlimited number of common shares without par value.

b) Financings

During the three months ended December 31, 2025, the Company had the following share transactions:

- i) On December 16, 2025, the Company issued 16,853 shares, fair valued at \$42,843, to Queen's Road Capital as a payment of \$147,632 (US\$104,994) for interest owing on the convertible debentures.

There were no share transactions during the three months ended December 31, 2024.

c) Equity reserve

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

d) Share purchase options

The balance of share purchase options outstanding and exercisable as at December 31, 2025 and September 30, 2025 and the changes for the periods then ended is as follows:

	Number of Options #	Weighted Average Exercise Price \$	Weighted Average Life Remaining (years)
Balance, September 30, 2024	77,000	10.19	1.64
Exercised	(34,500)	5.00	-
Expired	(2,500)	5.00	-
Balance, September 30, 2025	40,000	15.00	1.25
Granted	22,259	12.00	-
Balance, December 31, 2025	62,259	13.93	2.37
Unvested	(26,529)	12.79	-
Vested and exercisable	35,730	14.29	1.90

On October 30, 2025, the Company granted 22,259 stock options to employees and officers of the Company with an exercise price of \$12 per share expiring on October 30, 2030. 50% of the options vest immediately and 50% of the options vest on October 30, 2026. The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following weighted average assumptions: expected dividend yield of 0%, expected volatility of 46.03%, risk free rate of return of 2.43%, expected life of 5 years, and share price of \$8.70.

The Company recorded share-based compensation expense of \$42,843 during the three months ended December 31, 2025 (2024: \$12,403) related to the vesting of newly granted options and previously granted options. The Company recorded share-based compensation expense of \$60,800 during the three months

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ended December 31, 2025 (2024: \$nil) related to the vesting of newly granted DSUs and previously granted DSUs, respectively.

The options outstanding as at December 31, 2025, are as follows:

Outstanding #	Exercisable #	Exercise Price \$	Expiry Date
40,000	24,600	15.00	December 30, 2026
22,259	11,130	12.00	October 30, 2030
62,259	35,730		

e) Deferred share units

On May 27, 2021, the Company adopted a deferred share unit ("DSU") plan as an alternative form of compensation for employees, officers, consultants and directors of the Company. Each DSU is comprised of one notional common share that entitles the participant, on termination of services, to receive, at the discretion of the Company, common shares of the Company up to the number of DSUs held or the cash equivalent. In the event the Company decides to settle all or a portion of the DSUs outstanding in cash, the total DSUs owing will be multiplied by the fair market value of one common share of the Company. The fair market value will be determined as the VWAP of the Company's common shares on the valuation date. The maximum number of common shares that are issuable under the DSU plan is 500,000.

As the DSU can be settled in cash or shares, at the discretion of the Company, the liability associated with each DSU grant is recorded as a liability and fair valued at each reporting period.

On February 14, 2025, the Company granted Santiago Montt 80,034 DSUs with an aggregate value of US\$400,000 of which: (a) 40,017 DSUs (the "Y2 Time Lapse DSUs") will vest as follows: 20,008 vested on August 14, 2025 and 20,009 will vest on February 14, 2026; (b) 40,017 DSUs (the "Y2 Performance DSUs") will vest on February 14, 2026, subject to his performance targets being met.

During the year ended September 30, 2025, 94,588 DSUs were issued to directors and officers of the Company.

During the three months ended December 31, 2025, 3,238 DSUs were issued to directors of the Company.

As at December 31, 2025, 198,462 DSUs were fully vested. The change in DSUs outstanding for the three months ended December 31, 2025 and for the year ended September 30, 2025 is as follows:

Balance, September 30, 2024	140,653
Granted	94,588
Balance, September 30, 2025	235,241
Granted	3,238
Balance, December 31, 2025	238,479
Unvested	(40,017)
Vested and exercisable, December 31, 2025	198,462

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Following is a summary of the DSUs outstanding at December 31, 2025:

Grant date	Number of DSUs	Deemed value	Fair Market Value at December 31, 2025
June 1, 2021	1,325	\$9.43	\$9.06
September 1, 2021	1,184	\$7.03	\$9.06
October 1, 2021	5,844	\$7.13	\$9.06
January 1, 2022	3,357	\$11.17	\$9.06
April 1, 2022	2,301	\$16.30	\$9.06
July 1, 2022	2,391	\$15.68	\$9.06
October 1, 2022	2,643	\$14.19	\$9.06
January 1, 2023	2,700	\$13.89	\$9.06
April 1, 2023	3,117	\$12.03	\$9.06
July 1, 2023	2,427	\$15.45	\$9.06
October 1, 2023	3,399	\$11.03	\$9.06
December 1, 2023	55,988	\$10.20	\$9.06
January 1, 2024	3,603	\$10.41	\$9.06
February 22, 2024	45,168	\$11.95	\$9.06
April 1, 2024	2,622	\$11.07	\$9.06
July 1, 2024	2,584	\$9.68	\$9.06
October 1, 2024	3,002	\$8.33	\$9.06
January 1, 2025	3,330	\$7.51	\$9.06
February 14, 2025	80,034	\$7.08	\$9.06
April 1, 2025	4,038	\$6.19	\$9.06
July 1, 2025	4,184	\$5.97	\$9.06
October 1, 2025	3,238	\$7.72	\$9.06

As at December 31, 2025, the Company had a total of \$1,798,067 in DSU liabilities. See Note 8.

8. RELATED PARTY TRANSACTIONS

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

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

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

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	Three months ended December 31,	
	2025	2024
	\$	\$
Consulting, salaries, management and directors' fees ¹	281,024	305,139
Geological consulting fees	78,532	76,362
Professional fees (accounting)	24,900	24,900
Share-based compensation	41,022	28,108
Travel	44,710	-
	470,188	434,509

¹ Includes fees from the board of directors; and salaries capitalized to mineral right interests.

Included in trade and other payables as at December 31, 2025, is \$34,434 (2024: \$25,592) owing to related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

Key management compensation during the three months ended December 31, 2025 and 2024 is as follows:

	Three months ended December 31,	
	2025	2024
	\$	\$
Consulting, salaries, management, geological consulting and professional fees	263,524	262,632
Share-based compensation	41,022	28,108
	304,546	290,740

9. SEGMENTED INFORMATION

At December 31, 2025, the Company has three reportable segments: mineral exploration, hydroelectric project and corporate, and has operations in two geographical areas, Canada and Chile.

Operating segments

	Three months ended December 31	
	2025	2024
	\$	\$
Net income/(loss)		
Mineral exploration	39,790	(40,267)
Hydroelectric project	1,421	(1,331)
Corporate	1,372,179	(288,821)
	1,413,390	(330,419)

	December 31, 2025	September 30, 2025
	\$	\$
Assets		
Mineral exploration	77,507,373	72,447,480
Hydroelectric project	8,250,000	8,250,000
Corporate	20,952,469	23,466,842
	106,709,842	104,164,322

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Geographic segments

	Three months ended December 31	
	2025	2024
	\$	\$
Net income/(loss)		
Canada	1,326,620	(258,249)
Chile	86,770	(72,170)
	1,413,390	(330,419)

	December 31, 2025	September 30, 2025
	\$	\$
Assets		
Canada	20,977,355	22,929,531
Chile	85,732,487	81,234,791
	106,709,842	104,164,322

10. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash investing and financing activities

At December 31, 2025:

- Net exploration costs included in trade payables and other liabilities were \$550,419 (2024: \$495,415);
- Exchange rate differences of \$2,825,083 (2024: \$1,653,924) were included in mineral right interests; and
- Accretion expense of \$484,127 related to the convertible debenture was recorded (2024: \$399,065).

Also see Note 11.

11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

As at December 31, 2025, the Company was the lessee to three premises leases. The incremental rate of borrowing for these leases was estimated by management to be 12% per annum.

Right-of-use assets

As at December 31, 2025, the right-of-use assets recorded for the Company's premises were as follows:

	Premises
	\$
As at September 30, 2024	96,360
Additions	152,689
Depreciation	(121,087)
Foreign exchange	3,545
As at September 30, 2025	131,507
Additions	-
Depreciation	(41,653)
Foreign exchange	6,983
As at December 31, 2025	96,837

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Lease liability

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

	December 31, 2025
	\$
Undiscounted minimum lease payments:	
Less than one year	102,451
Two to three years	-
	102,451
Effect of discounting	(9,012)
Present value of minimum lease payments	93,439
Less current portion	(93,439)
Long-term portion	-

Lease liability continuity

The net change in the lease liability is as follows:

	Premises
	\$
As at September 30, 2024	96,311
Cash flows:	
Additions	152,689
Principal payments, net of interest	(121,120)
Non-cash changes:	
Foreign exchange	3,554
As at September 30, 2025	131,434
Cash flows:	
Additions	-
Principal payments, net of interest	(40,158)
Non-cash changes:	
Foreign exchange	2,163
As at December 31, 2025	93,439

During the three months ended December 31, 2025, interest of \$3,910 (2024: \$2,641) was paid.

12. SUBSEQUENT EVENTS

Subsequent to December 31, 2025:

- i. On January 1, 2026, the Company granted 2,760 DSUs to directors of the Company. These DSUs will fully vest by March 31, 2026.
- ii. On January 20, 2026, Santiago Montt resigned as CEO of the Company and Antony Amberg was appointed interim CEO. Santiago Montt remained as a consultant of the Company until February 20, 2026 to assist with the transition.
- iii. Subsequent to December 31, 2025, the Company's VWAP exceeded 130% of the exercise price for the First Convertible Debenture and as a result the Company issued a notice for early conversion.