

**INITIATION OF RESEARCH**
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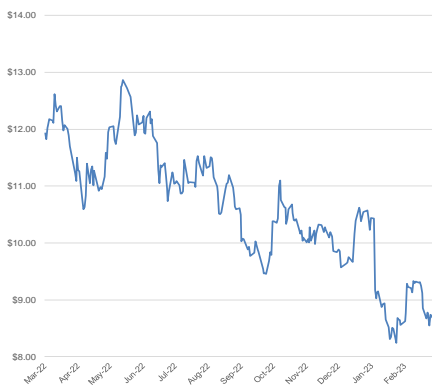
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**Market Statistics**

Price	C\$11.51
52 week Range	C\$11.00 - C\$16.86
Daily Vol (3-mo. average)	10,930
Market Cap (C\$M):	\$ 324.0
Enterprise Value (C\$M):	\$ 349.9
Shares Outstanding: (\$M)	28.1
Float (M)	48.3
Public Ownership	47.4%
Institutional Ownership	0.8%

**Financial Summary**

Cash (C\$)	\$ 3.60
Cash/Share	\$ 0.13
Debt (C\$)	\$ 19.96
Equity (C\$)	\$ 67.19
Equity/Share	\$ 2.46


**Company Description**

Los Andes Copper Ltd. is focused on developing its 100% owned Vizcachitas copper-molybdenum porphyry project in Chile. Vizcachitas is one of the largest advanced copper deposits in the Americas. Located 150km north of Santiago it is strategically positioned to benefit from strong infrastructure and in the region as well as the low altitude of the project allowing for year-round working conditions. Los Andes Copper is headquartered in Vancouver, Canada and is listed on the TSX.V.

**LOS ANDES COPPER, LTD. (TSXV: LA)**
**COMPANY UPDATES**

**PFS shows robust economics of project:** Los Andes recently released their Preliminary Feasibility Study (“PFS”) which held very promising results. Most notably the PFS has given investors greater insight into the strong economics of the project. With a mine life of 26 years, the location allows for operations 365 days per year. The PFS has set the proven and probable reserves at 10.9bn lbs. Copper Equivalent (“CuEq”), increased the amount of measured and indicated resources by 16% to 14.8bn lbs. CuEq, and the amount of inferred resources by 130% to 15.4bn lbs. CuEq. This results in a post-tax NPV of \$2.8bn assuming a copper price of \$3.68 per pound and a discount rate of 8%. The payback period is estimated at 2.5 years after initial production.

**Project highlights:** Los Andes is the full owner of the Vizcachitas copper project, which is one of the largest undeveloped copper projects in South America. The project is situated within Chile’s prolific Central Copper Belt which hosts a number of Tier 1 copper projects. Vizcachitas is strategically located to be sold to a mining major should the Company choose this route. Aiding this optionality is the mentioned 100% ownership of the project making any sales easier to navigate as well as the large size of the project making it enticing to majors.

**Sustainability in focus:** Los Andes is committed to operating a sustainable and responsible mine. This is illustrated by the Company reducing both their energy and water usage plans by 25% and 50% respectively. Additionally, Los Andes has entered into a water desalination consortium which will eliminate the need to draw continental water and will give local population an opportunity to access water at preferred rates, an option they would not have otherwise.

**Capital remains accessible:** Subsequent to the end of FY2022 the Company completed a \$10.0mn bought deal offering. This financing consisted of 800,000 issued common shares at C\$12.55 per share. Given the early stage that the Vizcachitas Project is in, we find it very encouraging that Los Andes is able to access large blocks of capital. This capital will be used to support the planned drilling and corporate costs.

**Strong management team and ownership:** Los Andes has a track record of having highly capable C Suite executives. This continued in 2022 with the appointment of Santiago Montt, a senior mining executive and lawyer to COO and interim CEO. The Board of Los Andes boasts a robust team that has experience in capital markets, ESG, and the mining industry. It is also notable that The Chairman of The Board represents Turnbrook Mining, the largest shareholder of LA at 51.1%.

**Valuation:** The Company is currently trading at an EV/NPV of .11x vs average comps of .29x. Due to the advanced stage of the deposit, significantly larger resource deposit, enticing potential as a takeover candidate from a major, and the positive results from the PFS we believe the company deserves to trade at a premium to comps, applying a multiple range of .30x to .40x with a midpoint of .35x. This results in a valuation range of C\$34.04 to C\$45.66 with a midpoint of C\$39.85. This brings the Company to trade more in-line with the other large projects that have also completed the PFS stage.

## Business Overview

Los Andes Copper, Ltd. (“Los Andes” or “the Company”) is a copper mine explorer and developer based out of Vancouver, Canada that is focused on developing its existing assets in Chile, 150km north of Santiago. The Company currently has a significant land position in Region V of Chile consisting of 10,771 hectares of land with an initial proven and probable reserve of 10.8bn pounds of CuEq, a measured and indicated resource of 14.8bn pounds of CuEq, and an inferred resource of 15.4bn of CuEq.

The Vizcachitas Project is one of the largest undeveloped copper projects in South America that is not controlled by a major mining operation.

Los Andes was incorporated in 1983 and trades on the TSXV under the symbol “LA”. Los Andes also began trading on the OTCQX Best Market under the symbol “LSANF” in November of 2021.

## Vizcachitas Project

### Location and History

Vizcachitas is a large copper-molybdenum porphyry deposit located in Region V of Chile. This location is approximately three hours north of Santiago, Chile with the majority of the trip on paved road into the Andes Mountains and is accessible year-round using a four-wheel drive vehicle. The exploration site is located approximately 1,950 meters above sea level which puts this project at a more manageable elevation compared to peers and allows for year-round operation.

### Exhibit 1: Project Location



Source: Company Website

Since the 1990’s there have been 3 companies that carried out exploration on the property with Los Andes being the most recent one. In 2019 Los Andes published a Preliminary Economic Assessment (“PEA”)

with the recommendation being to proceed with a Preliminary Feasibility Study (PFS). Most recently in 2023, LA published their PFS which showed that the Vizcachitas project is a Tier 1 asset that is economically robust with potential to become one of the most profitable mines in Chile. The PFS resource estimate was based on 168 drill holes totaling 58,628 meters out of the 176 total drill holes totaling 59,588 meters.

### Exhibit 2: Drilling History Overview

Company	Period	Drill Holes	Total Meters
Placer Dome	1993	6	1,953
General Minerals	1996-1997	61	15,815
Los Andes Copper	2007-2008	79	22,616
Los Andes Copper	2015-2017	19	11,872
Los Andes Copper	2022	17	8,668
<b>Total</b>		<b>182</b>	<b>60,924</b>

Source: Company PEA Report, Company News Releases, and Company PFS Report

Compared to other mining projects, Vizcachitas is well situated with plenty of infrastructure nearby which should help keep capex relatively low. Per the PFS the Company will need to upgrade 35 km of existing roads between the Project and Putaendo and they will also need to divert the Rocin River around the planned open pit, both of which are common infrastructure works for mining projects.

Due to the large presence of mining operations in the region many towns including Putaendo host a significant amount of skilled and semi-skilled labor. Additionally, infrastructure in Chile includes the Ports of Ventanas, Valparaiso, and San Antonio, a railway connecting San Felipe with connections to two smelters, and several large power substations near the project. With Chile being an advanced mining country, this infrastructure is accustomed to playing a role in the mining industry.

The climate is not expected to pose a challenge given the relatively low altitude of the project, heavy winterization and de-rating of equipment will not be required which reduces the operating costs.

Water usage in Chile can pose a challenge, so having a sustainable source of water is paramount for an operation of this size. This challenge is exacerbated by droughts that have impacted the area in the past. Los Andes has committed to confronting this challenge in an environmentally friendly way. Per the PFS, the Company has already reduced their water consumption by 50% vs the previous design through the use of dry-stacked filtered tailings.

Additionally, Los Andes has signed a letter of intent (“LOI”) for desalinated water, which eliminates the need to draw on continental water. This LOI has been signed with a desalination consortium that will provide enough water for the mine and discussions are underway to provide water for the local population along the route at preferred rates. This is critical for the local population, that would not have access to an alternative water source otherwise.

### Current Operations and Estimates

The PFS published in 2023 stated that, the Vizcachitas Project would be mined using conventional open pit methods with a mill throughput of 136 kilo tons per day (“ktpd”). This rate of 136ktpd is estimated to be the most efficient run rate.

The Project includes 52 mining concessions spanning 10,771 hectares and 183 exploration claims covering an additional 40,229 hectares. Within the project is a proven and probable reserve of 9.6bn pounds of copper, 365mn pounds of molybdenum and 43.6mn ounces of silver for a total 10.8bn pounds CuEq, a measured and indicated resource of 13bn pounds of copper, 526mn pounds of molybdenum and 54mn ounces of silver for a total of 14.8bn pounds CuEq as well as a further inferred resource of 13.7bn pounds of copper, 495mn pounds molybdenum and 55mn ounces of silver for a total 15.4bn pounds of CuEq. This is in large part due to the project being located in the Neogene Metallogenic Belt that is considered a Tier 1 copper belt.

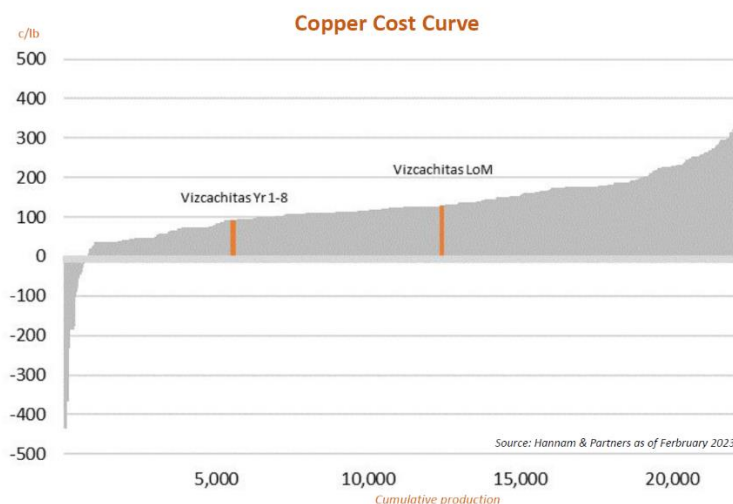
Given these variables, the 2023 PFS determined that a fair after-tax NPV for the project is \$2.8bn. This is assuming an average copper price of \$3.68 per pound and an 8% discount rate. At these rates the project will pay back in 2.5 years after production begins with a construction period of 3.25 years. Also embedded in these assumptions are a mine life of 26 years and an after-tax IRR of 24%.

### Exhibit 4: PFS Highlights

#### 2023 PFS Economics

Mill capacity (dmt)	136,000tpd
Cu production (first 8 years)	183,000tpy
Head grade (first 8 years)	0.52% CuEq*
LOM	26 years
C1 cash cost (first 8 years)	US\$0.93/lb
Initial capex	US\$2.44B
Payback ( \$ 3.68 / lb Cu)	2.5 years
<b>After-tax NPV8 \$ 3.68 Cu</b>	<b>US\$ 2.8 B</b>
After-tax IRR	24%

\* 0.46% Cu, 141 ppm Mo and 1.3 g/t Ag



Source: Hannam & Partners as of February 2023

Source: Feb. 2023 Company Presentation

Going forward it is expected that Los Andes will engage in completing a Feasibility Study on the Vizcachitas project to provide greater clarity on the economics of the project. This will entail further drilling to reclassify inferred resources into measured and indicated resources. Doing so would potentially extend the life of the mine without expanding capex. The Company is also expected to do further drilling with the intent to define the extent of the mineralization both laterally and at depth, which could further extend the life of the mine.

## Royalty Financing

Los Andes has issued two Net Smelter Returns Royalties with RCF VI CAD LLC (“RCF”), a Delaware incorporated LLC. The first was agreed in December of 2019 and the second in June of 2020.

Including historical royalties Los Andes in total has a 2% NSR for all open pit production and a 1% NSR for all underground production.

Should RCF sell the second royalty prior to Los Andes beginning commercial production they will be responsible for an additional \$5.0mn payment to Los Andes under the terms of the second royalty.

### Exhibit 4: Vizcachitas project site looking north

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*Source: Company website*

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## Other Financing

Los Andes has also had success financing their operations through convertible debenture issuance. So far Los Andes has done three convertible debt issuances with Queens Road Capital (“QRC”). Prior to these convertible debt issues the Company primarily raised capital through private placements.

The first convertible debt issuance was done in May of 2021. Los Andes raised \$5.0mn by issuing five-year debentures that pay eight percent coupons. Payable quarterly, these debentures pay 5% in cash and 3% in shares and are convertible at C\$10.82 into common shares.

The second convertible debt issuance was done in April of 2022. Los Andes raised \$4.0mn by issuing five-year debentures that pay eight percent coupons. Payable quarterly, these debentures pay 5% in cash and 3% in shares and are convertible at C\$19.67 into common shares.

The third convertible debt issuance was done in September of 2022. Los Andes raised \$5.0mn by issuing five-year debentures that pay eight percent coupons. Payable quarterly, these debentures pay 5% in cash and 3% in shares and are convertible at C\$16.75 into common shares.

All convertible debentures are still outstanding.

Most recently the Company has raised capital through a Bought Deal Financing. On January 30, 2023 Los Andes raised gross proceeds of \$10mn. With BMO Capital Markets as the lead underwriter the Company sold 800,000 common shares, representing approx. 3% of float, at \$12.55 per share. The Company intends to use the proceeds to advance the Vizcachitas Project through covering additional studies, drilling expenses, and working capital.

## Risks

As with any investment, there are certain risks associated with Los Andes' operations as well as with the surrounding economic and regulatory environments common to the mining industry and operating in a foreign country.

- Los Andes currently operates a speculative project. While the PFS came back positive, the Company still needs to proceed through a Feasibility Study as well as permitting and construction. The study should be completed before the end of 2024, however, until then the path to economic viability remains uncertain.
- Even if Los Andes does harvest a significant amount of resources from the ground, there is no guarantee that a profitable market will exist for those resources. Copper is subject to significant price movements in a short period of time.
- The Company has no history of net income, dividends, or cash flow and there can be no assurance that the Company will be profitable going forward. In the case that the Company cannot create enough revenue to sustain on-going business activities, Los Andes' only source of financing will be through the sale of existing securities, high-cost borrowing, or sale of its mineral properties.
- Mineral Reserves, Resources and grades are estimates only. There are many uncertainties in estimating mineral quantities of mineral reserves and resources that may cause actual results and quantities to differ from those estimated. In the event that they are less bountiful than anticipated, any mine life estimates or cash flow estimates could be severely reduced.
- The Company operates in Chile and maintains its accounts in Canadian dollars. Some of the Company's commitments and expenditures are denominated in U.S. dollars making the Company subject to currency fluctuations. Such fluctuations may materially affect the financial position of the Company.
- The Company is subject to regulatory risk as exploration and development activities are subject to laws and regulations imposed by local and state government authorities. Any future changes in the laws, regulations, agreements, or judicial rulings could impact or stop the Company from continuing to explore and develop its' properties.

## VALUATION SUMMARY

At the long-term copper price of \$3.68 per pound, used in the Los Andes PFS, the Vizcachitas project has a post-tax valuation of \$2.8bn. This would translate to a share price of ~C\$135.69 compared to the current share price of C\$11.51. While we recognize that the Vizcachitas project is still pre-production, we believe that trading at a discount of ~92% to NPV represents a significant value. One that will increase with any increases in the long-term price of copper.

Our valuation of Los Andes is based on a comparable analysis where we take peer company EV and divide by a summation of the NPV for projects that the peer companies are invested in. To make the comparison we normalized the projects in bold by adjusting certain assumptions, namely a long-term copper price of \$3.50 and an 8% discount rate, used to determine the NPV so that the assumptions are consistent with the rest of the comps. This was only done for instances where the company reports did not have explicit NPV values using those assumptions in their sensitivity analysis. We also adjusted the total company NPV accordingly for projects that were not wholly owned by their respective company. Lastly, all values are expressed in USD.

Name	Ticker	HQ	Project				Market Stats <sup>1</sup>			NPV <sup>1,2,3</sup> Pre Tax (M)	Resources (CU lbs) <sup>2</sup>		EV/NPV
			Ownership	Mine Location	Stage	Dated	Price	Mkt Cap (\$M)	EV		Mand I (Mt)	Inferred (Mt)	
Filo Mining Corp.	TSX: FIL	Canada	100%	Chile	PFS	1/13/2019	\$14.23	\$ 1,767.94	\$1,713.17	\$ 1,884.27	3,108.0	1,056.0	0.91x
<b>Van Dyke Project</b>			<b>100%</b>	<b>Arizona, USA</b>	<b>PEA</b>	<b>2/26/2021</b>				<b>\$ 919.85</b>	<b>717.0</b>	<b>1,007.0</b>	
Schaft Creek Project			25%	British Columbia	PEA	9/10/2021				\$ 1,710.00	7,764.0	1,303.0	
Copper Fox Metals Inc.	TSXV:CUU	Canada					\$ 0.16	\$ 80.17	\$ 80.61	\$ 1,347.35	2,658.0	1,332.8	0.06x
Western Copper and Gold Corporation	WRN	Canada	100%	Canada	PEA	8/8/2022	\$ 1.68	\$ 257.13	\$ 235.74	\$ 1,617.71	7,600.7	3,257.6	0.15x
White Pine North			100%	Michigan, USA	PEA	9/22/2019				<b>\$ 954.70</b>	134.4	97.2	
Coppenwood Project			100%	Michigan, USA	PEA	6/14/2018				<b>\$ 309.02</b>	30.1	2.9	
Highland Copper Company Inc.	TSXV: HI	Canada					\$ 0.06	\$ 51.14	\$ 41.71	\$ 1,263.72	164.5	100.1	0.03x
							<b>Average</b>	\$ 539.10	\$ 517.81	\$ 1,528.26	3,382.8	1,436.6	0.29x
							<b>Median</b>	\$ 168.65	\$ 158.18	\$ 1,482.53	2,883.0	1,194.4	0.10x
Los Andes Copper Ltd.	TSXV: LA	Canada	100	Chile	PFS		\$ 8.38	\$ 243.84	\$ 255.80	\$ 2,381.00	13,021.0	13,747.0	0.11x

1 - All Values in USD at an exchange rate of \$1.37 CAD/USD

2 - All data per company reports

3 - Bolded values are Stonegate estimates after normalizing assumptions

The Company is currently trading at an EV/NPV of .11x vs average comps of .29x. Due to the advanced stage of the deposit, significantly larger resource that includes a large portion of proven and probable reserves (~9.6bn lbs.), the enticing potential as a takeover candidate from a major, and that only Filo Mining Corp. has also completed a PFS we believe the company deserves to trade at a premium to comps, applying a multiple range of .30x to .40x with a midpoint of .35x.

This multiple range results in a valuation range of C\$34.04 to C\$45.66 with a midpoint of C\$39.85. This brings the Company to trade more in-line with the other large projects that have also completed the PFS stage.

	EV/NPV		
	0.30x	0.35x	0.40x
TEV	\$ 714.3	\$ 833.4	\$ 952.4
Cash	3.6	3.6	3.6
Debt	20.0	20.0	20.0
Mrkt Cap	697.9	817.0	936.0
S/O	28.1	28.1	28.1
Price	<b>\$ 24.80</b>	<b>\$ 29.03</b>	<b>\$ 33.26</b>
	<b>C\$ 34.04</b>	<b>C\$ 39.85</b>	<b>C\$ 45.66</b>



**BALANCE SHEET**

<b>Los Andes Copper Ltd.</b>								
<b>Consolidated Balance Sheets (CAD \$000s)</b>								
<b>Fiscal Year: Sep</b>								
<b>ASSETS</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Q1 Dec-21</b>	<b>Q2 Mar-22</b>	<b>Q3 Jun-22</b>	<b>Q4 Sep-22</b>	<b>FY 2022</b>
Cash and Cash Equivalents	1,390.2	3,992.9	8,772.8	6,368.0	1,908.2	2,234.4	6,318.1	6,318.1
Receivables	5.0	2,269.9	7.7	3.4	9.3	11.6	3.4	3.4
Prepaid Expenses and Deposit	87.9	142.5	190.4	190.7	180.9	253.9	259.2	259.2
<b>Total Current Assets</b>	<b>1,483.0</b>	<b>6,405.3</b>	<b>8,971.0</b>	<b>6,562.1</b>	<b>2,098.4</b>	<b>2,499.9</b>	<b>6,580.7</b>	<b>6,580.7</b>
Unproven Mineral Right Interests	83,132.4	74,804.7	73,726.6	74,746.4	83,155.8	78,685.2	82,042.8	82,042.8
Property, Plant and Equipment	28.1	238.0	121.7	185.2	173.2	226.7	278.2	278.2
Hydro-electric Project Water Rights	8,250.0	8,250.0	8,250.0	8,250.0	8,250.0	8,250.0	8,250.0	8,250.0
<b>Total Assets</b>	<b>92,893.5</b>	<b>89,698.1</b>	<b>91,069.2</b>	<b>89,743.7</b>	<b>93,677.5</b>	<b>89,661.8</b>	<b>97,151.7</b>	<b>97,151.7</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Trade and Other Payables	842.4	856.6	829.6	1,951.6	4,175.1	1,707.8	1,823.7	1,823.7
Interest Payable on Convertible Debentures	-	-	42.2	42.2	42.2	140.7	123.1	123.1
Lease Liability, Short Term	-	99.0	97.2	65.6	40.8	104.9	132.1	132.1
<b>Total Current Liabilities</b>	<b>842.4</b>	<b>955.7</b>	<b>969.0</b>	<b>2,059.4</b>	<b>4,258.1</b>	<b>1,953.3</b>	<b>2,079.0</b>	<b>2,079.0</b>
Derivative liability - Convertible debenture Conversion feature	-	-	2,103.1	-	5,219.9	7,109.5	8,458.7	8,458.7
Convertible Debentures	-	-	4,181.2	4,239.7	4,252.4	7,553.0	12,271.7	12,271.7
Lease Liability-long-term	-	125.6	-	-	-	8.4	4.1	4.1
Deferred Income Tax	8,720.3	9,224.6	8,814.6	8,814.6	8,814.6	8,814.6	11,646.8	11,646.8
Minority Interest	73.6	-	-	-	-	-	-	-
Dsu Liability	-	-	17.9	256.9	668.2	678.9	648.3	648.3
Long Term Debt Derivative Instruments	-	-	-	3,399.9	-	-	-	-
<b>Total Liabilities</b>	<b>9,636.2</b>	<b>10,305.9</b>	<b>16,085.8</b>	<b>18,770.5</b>	<b>23,213.3</b>	<b>26,117.7</b>	<b>35,108.6</b>	<b>35,108.6</b>
Common Stock - Par Value	103,368.9	103,368.9	103,415.4	103,464.2	103,521.7	103,722.9	104,073.5	104,073.5
Deficit	(23,641.5)	(25,621.2)	(27,268.3)	(29,631.3)	(32,948.9)	(34,526.1)	(38,168.0)	(38,168.0)
Accumulated Other Comprehensive Income (Loss)	(3,821.2)	(5,832.6)	(8,659.0)	(10,356.9)	(7,658.1)	(13,311.3)	(11,769.9)	(11,769.9)
Reserves	7,351.1	7,477.0	7,495.2	7,497.2	7,549.5	7,658.7	7,907.5	7,907.5
<b>Total Parent Net Equity</b>	<b>83,257.3</b>	<b>79,392.2</b>	<b>74,983.4</b>	<b>70,973.2</b>	<b>70,464.2</b>	<b>63,544.1</b>	<b>62,043.1</b>	<b>62,043.1</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>92,893.5</b>	<b>89,698.1</b>	<b>91,069.2</b>	<b>89,743.7</b>	<b>93,677.5</b>	<b>89,661.8</b>	<b>97,151.7</b>	<b>97,151.7</b>
<b>Liquidity</b>								
Current Ratio	1.8x	6.7x	9.3x	3.2x	0.5x	1.3x	3.2x	3.2x
Working Capital	640.63	5,449.66	8,001.93	4,502.73	(2,159.74)	546.56	4,501.74	4,501.74
<b>Leverage</b>								
Debt to Equity	0.0%	0.0%	8.4%	6.0%	13.4%	23.1%	33.4%	33.4%
Debt to Capital	0.0%	0.0%	6.9%	4.7%	10.1%	16.4%	21.3%	21.3%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Los Andes Copper Ltd.														
Consolidated Statements of Income (in CAD \$000s, except per share amounts)														
Fiscal Year: Sep														
	FY 2019	FY 2020	FY 2021	Q1 Dec-21	Q2 Mar-22	Q3 Jun-22	Q4 Sep-22	FY 2022	Q1 E Dec-22	Q2 E Mar-23	Q3 E Jun-23	Q4 E Sep-23	FY 2023E	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other revenue & inc	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenues</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operating Expenses:														
Project Supplies and Expenses	0.3	0.2	0.2	0.0	0.0	-	0.1	0.1	0.0	0.0	0.0	0.0	0.1	
<b>Gross Profit</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>-</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.1)</b>	
Professional and Consulting Fees	511.9	739.7	638.6	404.6	640.7	593.7	184.3	1,823.3	450.0	450.0	450.0	450.0	1,800.0	
Interest	(35.8)	34.2	188.6	130.4	138.6	129.8	501.7	900.5	500.0	500.0	500.0	500.0	2,000.0	
Office and administration	57.3	42.2	110.1	88.7	142.4	155.0	269.7	655.8	270.0	270.0	270.0	270.0	1,080.0	
D&A	4.3	113.4	116.1	30.0	32.1	28.7	26.1	116.8	30.0	30.0	30.0	30.0	120.0	
Share Based Compensation	59.5	125.9	18.1	2.0	52.2	1.6	495.8	551.6	50.0	50.0	50.0	50.0	200.0	
Accretion	-	-	267.9	204.7	201.2	370.9	(31.7)	745.0	200.0	200.0	200.0	200.0	800.0	
Other operating costs	113.9	225.4	307.8	169.0	318.7	249.8	111.4	849.0	200.0	200.0	200.0	200.0	800.0	
Total Operating Expenses	711.1	1,280.9	1,647.3	1,029.5	1,526.1	1,529.4	1,557.2	5,642.1	1,700.0	1,700.0	1,700.0	1,700.0	6,800.0	
<b>Operating Income</b>	<b>(711.4)</b>	<b>(1,281.1)</b>	<b>(1,647.5)</b>	<b>(1,029.5)</b>	<b>(1,526.1)</b>	<b>(1,529.4)</b>	<b>(1,557.3)</b>	<b>(5,642.2)</b>	<b>(1,700.0)</b>	<b>(1,700.0)</b>	<b>(1,700.0)</b>	<b>(1,700.0)</b>	<b>(6,800.1)</b>	
Currency Gain/Loss	85.0	(101.6)	(190.6)	37.1	163.6	(0.3)	(375.4)	(174.9)	-	-	-	-	-	
Change in Fair Value of derivative liability	-	-	(221.9)	(1,296.9)	(1,820.0)	(74.4)	1,115.1	(2,076.2)	-	-	-	-	-	
Change in fair value of DSU liability	-	-	2.9	(73.8)	(135.1)	26.8	(47.0)	(229.1)	-	-	-	-	-	
Write-off of trade payables	-	-	-	-	-	-	54.9	54.9	-	-	-	-	-	
<b>Profit Before Taxes</b>	<b>(626.4)</b>	<b>(1,382.7)</b>	<b>(2,057.1)</b>	<b>(2,363.0)</b>	<b>(3,317.6)</b>	<b>(1,577.2)</b>	<b>(809.7)</b>	<b>(8,067.6)</b>	<b>(1,700.0)</b>	<b>(1,700.0)</b>	<b>(1,700.0)</b>	<b>(1,700.0)</b>	<b>(6,800.1)</b>	
Provision for Income Tax	(149.6)	(504.4)	410.0	-	-	-	(2,832.2)	(2,832.2)	-	-	-	-	-	
<b>Net Income</b>	<b>(776.0)</b>	<b>(1,887.1)</b>	<b>(1,647.1)</b>	<b>(2,363.0)</b>	<b>(3,317.6)</b>	<b>(1,577.2)</b>	<b>(3,641.9)</b>	<b>(10,899.8)</b>	<b>(1,700.0)</b>	<b>(1,700.0)</b>	<b>(1,700.0)</b>	<b>(1,700.0)</b>	<b>(6,800.1)</b>	
<b>Basic EPS</b>	<b>\$ (0.03)</b>	<b>\$ (0.07)</b>	<b>\$ (0.06)</b>	<b>\$ (0.09)</b>	<b>\$ (0.12)</b>	<b>\$ (0.06)</b>	<b>\$ (0.13)</b>	<b>\$ (0.40)</b>	<b>\$ (0.06)</b>	<b>\$ (0.06)</b>	<b>\$ (0.06)</b>	<b>\$ (0.06)</b>	<b>\$ (0.25)</b>	
<b>Diluted EPS</b>	<b>\$ (0.03)</b>	<b>\$ (0.07)</b>	<b>\$ (0.06)</b>	<b>\$ (0.09)</b>	<b>\$ (0.12)</b>	<b>\$ (0.06)</b>	<b>\$ (0.13)</b>	<b>\$ (0.40)</b>	<b>\$ (0.06)</b>	<b>\$ (0.06)</b>	<b>\$ (0.06)</b>	<b>\$ (0.06)</b>	<b>\$ (0.25)</b>	
WTD Shares Out - Basic	27,333.9	27,333.9	27,333.9	27,165.8	27,180.5	27,256.7	27,284.4	27,333.9	27,312.2	27,340.0	27,367.8	27,395.7	27,333.9	
WTD Shares Out - Diluted	27,333.9	27,333.9	27,333.9	27,165.8	27,180.5	27,256.7	27,284.4	27,333.9	27,312.2	27,340.0	27,367.8	27,395.7	27,333.9	
<b>EBITDA</b>	<b>\$ 204.1</b>	<b>\$ 83.9</b>	<b>\$ (1,244.6)</b>	<b>\$ (3,459.9)</b>	<b>\$ (4,823.5)</b>	<b>\$ (1,224.0)</b>	<b>\$ (5,291.3)</b>	<b>\$ (14,798.7)</b>	<b>\$ (1,420.0)</b>	<b>\$ (1,420.0)</b>	<b>\$ (1,420.0)</b>	<b>\$ (1,420.0)</b>	<b>\$ (5,680.1)</b>	
<b>Growth Rate Y/Y</b>														
Total cost of revenues	-182.8%	80.1%	28.6%	281.2%	404.0%	271.8%	134.8%	242.5%	65.1%	11.4%	11.2%	9.2%	20.5%	
Operating Income	-182.8%	80.1%	28.6%	281.2%	403.9%	271.8%	134.8%	242.5%	65.1%	11.4%	11.2%	9.2%	20.5%	
Pre-Tax Income	-183.0%	120.7%	48.8%	495.6%	547.0%	218.5%	24.1%	292.2%	-28.1%	-48.8%	7.8%	110.0%	-15.7%	
Net Income	-138.5%	143.2%	-12.7%	495.6%	547.0%	218.5%	1403.2%	561.8%	-28.1%	-48.8%	7.8%	-53.3%	-37.6%	

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

Los Andes Copper Ltd.												
Consolidated Cash Flow Statements (CAD \$000s)												
Fiscal Year: Sep												
CASH FLOW	FY 2019	FY 2020	Q1 Dec-20	Q2 Mar-21	Q3 Jun-21	Q4 Sep-21	FY 2021	Q1 Dec-21	Q2 Mar-22	Q3 Jun-22	Q4 Sep-22	FY 2022
<b>Operating Activities</b>												
Net Income	\$ (776.0)	\$ (1,887.1)	\$ (396.8)	\$ (512.8)	\$ (495.3)	\$ (242.3)	\$ (1,647.1)	\$ (2,363.0)	\$ (3,317.6)	\$ (1,577.2)	\$ (3,641.9)	\$ (10,899.8)
Depreciation	4.3	113.4	30.5	29.8	28.9	26.9	116.1	30.0	32.1	28.7	26.1	116.8
Amortization	-	-	-	-	-	-	-	-	-	-	-	-
Accretion	-	-	-	-	33.4	234.4	267.9	204.7	201.2	370.9	(31.7)	745.0
Stock based Compensation	59.5	125.9	5.8	5.8	4.5	2.0	18.1	2.0	52.2	1.6	495.8	551.6
Future Income Tax (Recovery) Expense	149.6	504.4	-	-	-	(410.0)	(410.0)	-	-	-	2,832.2	2,832.2
Interest Expense	-	-	-	-	-	188.6	188.6	130.4	138.6	228.2	403.3	900.5
Change in Fair Value of Derivative Liability	-	-	-	-	-	221.9	221.9	1,296.9	1,820.0	74.4	(1,115.1)	2,076.2
Change in Fair Value of Dsu Liability	-	-	-	-	-	(2.9)	(2.9)	73.8	135.1	(26.8)	47.0	229.1
Dsu Liability	-	-	-	-	-	20.8	20.8	165.2	276.2	(441.4)	401.3	401.3
Receivables	2.9	(26.9)	(143.1)	2,409.2	(3.4)	(2,238.6)	24.2	4.3	(5.9)	(2.3)	8.2	4.2
Trade and Other Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Payables	113.1	8.2	(221.3)	(160.4)	(13.5)	155.7	(239.5)	(13.8)	134.8	327.7	(195.7)	253.0
Prepaid Expenses and Deposits	(31.1)	(54.7)	11.6	(25.8)	20.9	(54.7)	(47.9)	(0.3)	9.8	(73.0)	(5.3)	(68.7)
Performance Shares	-	-	-	-	-	-	-	-	-	107.7	(107.7)	-
Management and Director fees settled in DSUs	-	-	-	-	-	-	-	-	-	478.9	(478.9)	-
Write-off of trade payables	-	-	-	-	-	-	-	-	-	-	54.9	54.9
<b>Cash flow generated/(absorbed) from operating Activities</b>	<b>(477.7)</b>	<b>(1,216.6)</b>	<b>(713.2)</b>	<b>1,745.8</b>	<b>(424.3)</b>	<b>(2,098.0)</b>	<b>(1,489.8)</b>	<b>(469.9)</b>	<b>(523.4)</b>	<b>(502.8)</b>	<b>(1,307.6)</b>	<b>(2,803.7)</b>
<b>Investing Activities</b>												
Purchase of Property Plant, and Equipment	(34.3)	(4.1)	(2.6)	0.1	0.1	(7.4)	(9.9)	(100.2)	(9.1)	14.3	(27.9)	(122.9)
Repurchase of Subsidiary Shares	(165.8)	(166.2)	-	-	-	-	-	-	-	-	-	-
Royalty Purchase Agreement	-	8,126.1	1,203.6	(1,203.6)	-	4,109.5	4,109.5	-	(848.6)	848.6	-	-
Unproven Mineral Right Interests	(3,227.3)	(4,277.2)	(855.0)	(1,005.2)	(771.7)	(1,165.6)	(3,797.5)	(1,776.2)	(2,813.2)	(5,640.8)	(1,592.0)	(11,822.2)
Second Royalty Purchase Agreement	-	-	-	-	1,871.4	(1,871.4)	-	-	-	502.9	-	502.9
<b>Cash flow generated by Investing Activities</b>	<b>(3,427.4)</b>	<b>3,678.5</b>	<b>346.0</b>	<b>(2,208.8)</b>	<b>1,099.8</b>	<b>1,065.1</b>	<b>302.1</b>	<b>(1,876.4)</b>	<b>(3,670.9)</b>	<b>(4,274.9)</b>	<b>(1,619.9)</b>	<b>(11,442.1)</b>
<b>Financing Activities</b>												
Repurchase of Subsidiary Shares	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Issuance of 9% Convertible Debentures, Net	-	-	-	-	-	5,717.6	5,717.6	-	-	-	-	-
Repayment of Lease Liability	-	(99.0)	(28.4)	(28.5)	(28.6)	(27.2)	(112.7)	(26.6)	(29.4)	(26.4)	(28.0)	(110.5)
Interest on Convertible Debenture - Cash	-	-	-	-	-	(78.6)	(78.6)	(79.1)	(79.2)	(81.4)	(266.0)	(505.6)
Proceeds on Issuance of Convertible Debenture	-	-	-	-	5,785.2	(5,785.2)	-	-	-	4,954.2	6,330.5	11,284.8
Exercise of options	-	-	-	-	-	-	-	-	-	-	100.0	100.0
<b>Cash flow generated/(absorbed) by financing Activities</b>	<b>-</b>	<b>(99.0)</b>	<b>(28.4)</b>	<b>(28.5)</b>	<b>5,756.6</b>	<b>(173.4)</b>	<b>5,526.2</b>	<b>(105.7)</b>	<b>(108.6)</b>	<b>4,846.4</b>	<b>6,136.5</b>	<b>10,768.6</b>
<b>Net Cash flow in the year</b>	<b>(3,905.1)</b>	<b>2,362.9</b>	<b>(395.7)</b>	<b>(491.5)</b>	<b>6,432.1</b>	<b>(1,206.3)</b>	<b>4,338.6</b>	<b>(2,452.0)</b>	<b>(4,303.0)</b>	<b>68.7</b>	<b>3,209.0</b>	<b>(3,477.2)</b>
Effect of Exchange Rate on Cash	115.0	239.8	112.8	(112.8)	-	441.4	441.4	47.2	(47.2)	-	1,022.5	1,022.5
<b>Change in cash after FX adjustment</b>	<b>\$ (3,790.1)</b>	<b>\$ 2,602.7</b>	<b>\$ (282.9)</b>	<b>\$ (604.2)</b>	<b>\$ 6,432.1</b>	<b>\$ (764.9)</b>	<b>\$ 4,780.0</b>	<b>\$ (2,404.8)</b>	<b>\$ (4,350.2)</b>	<b>\$ 68.7</b>	<b>\$ 4,231.5</b>	<b>\$ (2,454.8)</b>
<b>Cash and Cash Equivalents</b>												
Beginning Cash balance	0.0	1390.2	3992.9	3992.9	3992.9	3,992.9	3992.9	8772.8	8772.8	8772.8	8,772.8	8772.8
Ending Cash balance	(3,790.1)	3,992.9	3,709.9	3,388.6	10,424.9	3,227.9	8,772.8	6,368.0	4,422.7	8,841.6	13,004.3	6,318.1

Source: Company Reports, Stonegate Capital Partners

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