



LOS ANDES COPPER Ltd.

Suite 3083—595 Burrard Street,
Bentall Three Centre, PO Box 49298
Vancouver, BC V7X 1L3 Canada
Phone +1.604.681.2802 **Fax** +1.604.682.2802
www.losandesopper.com

**LOS ANDES COPPER LTD.
Management Discussion & Analysis
For the Quarter and Nine Months ended June 30, 2008**

All figures expressed in Canadian Dollars except where noted

The following discussion and analysis of the results of operations and financial position of Los Andes Copper Ltd. ("Los Andes") together with its subsidiaries (collectively, the "Company"), is prepared as of August 26, 2008, and should be read in conjunction with the Company's unaudited consolidated financial statements and notes thereto as of June 30, 2008 and the Company's audited consolidated financial statements and the notes thereto prepared as at September 30, 2007.

Company Overview

Los Andes is a Canadian mineral exploration and development company focused on the acquisition, exploration and development of advanced stage copper deposits in Latin America.

The Company's current focus is the Vizcachitas porphyry copper-molybdenum project, located 120 km north of Santiago, Region V, Chile. Based on 35,255 meters of drilling in 130 diamond drill holes, the project contains an indicated resource of 515 M tonnes grading 0.39% copper and 0.011% molybdenum, and an additional inferred resource of 572 M tonnes grading 0.34% Cu and 0.012% Mo at a 0.3% copper cut-off.

Effective January 1, 2007, the Company disposed of its former mineral properties in China and on February 8, 2007 completed the acquisition of the Vizcachitas property, as described below.

Expenses associated with the former Chinese operations in the nine months ended June 30, 2007 have been reclassified as a loss from discontinued operations.

Overall Performance

In the quarter ended June 30, 2008 ("Q3-2008") the Company incurred a loss of \$320,710 compared to a loss of \$928,508 in the comparative quarter of June 30, 2007 ("Q3-2007"). The major factor explaining the lower losses in Q3-2008 is lower stock-based compensation expense.

During Q3-2008 the Company incurred acquisition costs of \$512,851 and deferred development costs of \$1,454,476, an aggregate investment of \$1,967,327 in the Vizcachitas property. A second-phase drilling program continued in Vizcachitas during the quarter.

The Company held cash and cash equivalents at June 30, 2008 of \$656,222; as of the same date, the Company had a working capital deficiency of \$35,910.

Acquisition of Vizcachitas Property

On February 8, 2007, Los Andes acquired from Global Copper Corp. ("Global") all of the issued and outstanding shares of Vizcachitas Limited. 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 Los Andes. CMV owns the following interests which comprise 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, which is the owner of the San José mining concessions (the "SJ Concessions");
2. 32 mining rights (the "Mining Rights"), of which 8 are existing exploitation mining concessions encircling the SJ Concession, 19 are exploitation mining concessions in process of constitution (exploitation claims) encircling the SJ Concession and 5 are exploration mining concessions in process of constitution (exploration claims) protecting the SJ Concession; and
3. An option agreement to purchase 100% of six additional exploitation mining concessions (the "Additional Concessions" and together with the SJ Concessions and the Mining Rights, the "Property"), also encircling the SJ Concession.

All the Concessions, with the exception of the SJ Concession, are subject to NSR royalties of 2% on any surface production and 1% on any underground production on the claims. In the case of the SJ Concessions, Company's portion of NSR royalties is 1.02% on surface mining and 0.51% on underground mining.

The Property is located in the province of San Felipe, Region V, Chile, an area of low elevation with excellent infrastructure, including water and power. A.C.A. Howe International Limited described NI43-101 compliant mineral resources for the Property in a technical report dated June 29, 2006 (updated February 2007). The resource calculation was based on 68 drill holes for a total of 18,300 metres. Results showed an indicated resource of 144 million tonnes grading 0.52% copper and 0.015% molybdenum and an inferred resource of 211 million tonnes grading 0.46% copper and 0.016% molybdenum at a 0.40% copper cutoff.

San José SLM is a Chilean Sociedad Legal Minera ("SLM") and the Company owns an indirect 51% majority interest in San José SLM. Chilean legal counsel have advised that a Chilean Sociedad Legal Minera, or SLM, is regulated by the Chilean Mining Code (the "Code"), according to which (i) the administrators of the SLM are appointed in shareholders meetings, and they have the power to administer the SLM, including entering into labour contracts, buying materials necessary for the exploration or exploitation of the mine or processing of the mine's products, paying debts and collecting credits of the SLM and selling ore extracted from the SLM's properties; (ii) all other matters not entrusted by the Code to the administrator are decided in shareholders' meetings, which are presided over by the shareholder with the highest number of shares; (iii) in most cases matters are decided by the majority of the shares, including the determination of the amount of contributions for expenses of maintenance and exploration or exploitation of the concessions (the "Expenses"); and (iv) the shareholders are required to contribute to the payment of the Expenses in proportion to the shares they hold in the SLM.

The Company understands a single Chilean company ("Minority Shareholder") owns the remaining minority 49% of San José SLM. The Company has not yet determined how development of the Property will proceed and looks forward to further discussions with the shareholders and principals of the Minority Shareholder to determine if a mutually beneficial plan of action may be developed.

The property rights outlined above contain the balance of the known mineralization, and are considered to have potential for expanding or adding to the existing resource on the Property. The area will also provide for critical waste stripping and development tenure for the resource identified to date. Work programs on the Property will, in part, focus on testing the potential of these areas to host extensions or additions to the existing mineralization, with a view to further enhancing the economics of the Property.

Consideration for the acquisition of the Vizcachitas property was comprised of US\$10,400,000 in cash and the issuance to Global of 6,280,000 shares and 3,900,000 share purchase warrants in the capital of the Company. Each warrant entitles the holder to acquire one additional share of the Company for a period of three years to February 8, 2010, at an exercise price of \$1.00 per share. In addition, Global 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.

On August 1, 2008, Teck Cominco Limited acquired all the shares of Global and, pursuant to a plan of arrangement, the 6,280,000 shares, 3,900,000 share purchase warrants and the net smelter royalties were transferred to Lumina Copper Corp., a company listed on the TSX Venture Exchange.

In connection with the acquisition, the Company recorded a future income tax liability of \$3,458,027, as required by Canadian GAAP to account for the potential tax effect resulting from the limited tax pools available to offset taxable income earned in the Company, relative to the carrying cost of the acquired asset on the Company's balance sheet. At the time the future income tax liability was recorded, an increase of \$3,458,027 to the value of the acquired asset was also recorded by the Company.

Disposition of Subsidiary Corporation

Los Andes, through its former wholly owned subsidiary, Tun Resources Inc. ("Tun") owned interests in three mineral properties located in the Zhen Yuan Mining District, China (together, the "Yunnan Yuntong Properties"): the Shangzhai exploration licence area and mining concession, which had been in production since 2001; the Bianfushan exploration licence area and mining concession; and the Jiazutian (formerly Lanintang) exploration licence area, which were in the exploration and development stage.

Tun entered into a Joint Venture Agreement with the Yunnan Province Dianxi Geological Engineering, Exploration Development Company on August 8, 1994 ("Dianxi"). The joint venture was called the Yunnan Yuntong Exploration Company Limited Joint Venture (the "Yunnan Yuntong JV"). Tun's initial capital investment was US\$800,000, to earn a 60% interest in the Yunnan Yuntong JV and was later increased to US\$1,400,000 to earn an 82% interest in the Yunnan Yuntong JV.

On August 29, 2006, the Yunnan Yuntong JV sold three of its non-producing, exploration mineral properties in China to a branch of the Chinese government for net sale proceeds (after taxes and finder's fees) of approximately \$1,000,000. The Company continued to mine, develop and explore its remaining Chinese properties until January 1, 2007 at which time Los Andes entered into an agreement to sell all of the outstanding shares of Tun for consideration on closing of \$1,000,000 and the assumption by the purchaser (the "Purchaser") of liabilities of Los Andes in the aggregate amount of \$473,412. The Company recorded a gain of \$634,442 on disposition of these properties.

Results of Operations

Quarter Ended June 30, 2008

Financial Review

The Company incurred a net loss of \$320,710 or \$nil per share in Q3-2008 (Q3-2007: net loss of \$928,508 or \$0.02 per share).

In Q3-2008 the most significant expense was stock-based compensation expense of \$112,108 (Q3-2007: \$777,622) in connection with the grant of 250,000 options to a director of the Company. Other significant expenses include consulting, salaries and management fees of \$70,795 (Q3-2007: \$64,662), professional fees of \$25,680 compared to \$22,259 in Q3-2007 and shareholder communication expenses of \$23,509 (Q3-2007: \$13,602). Shareholder communication expense increased due to the Company's participation in mining trade shows, publications and websites.

In Q3-2008 the Company received interest income of \$13,386 (Q3-2007: \$10,326) and recorded foreign exchange expense of \$90,202 (Q3-2007: expense of \$52,209). The foreign exchange expense recorded in Q3-2008 is mostly of an unrealized nature and is derived from the translation to Canadian dollars of the Company's Value Added Tax balances, which are carried in Chilean pesos.

In the quarter, the Company also incurred \$1,454,476 in deferred exploration expenses, capitalized as mineral properties. The breakdown of the expenses is as follows:

	<u>\$</u>
Automobile and travel	7,132
Assaying	22,375
Camp rehabilitation, maintenance and security	64,197
Core handling and storage	2,756
Drilling	768,645
Equipment rental	51,896
Exploration administration	18,605
Food and accommodation	64,901
Geological consulting	31,173
Other	1,312
Property and surface rights, taxes and tenure fees	1,054
Studies and other consulting	47,604
Subcontractor	275,114
Supplies	97,712
	<u>1,454,476</u>

Deferred Exploration

The following paragraphs summarize the nature of the exploration undertaken on Vizcachitas during Q3-2008. All exploration was supervised by Roger Moss, Ph.D., P.Geo., President of the Company and qualified person for the project under NI 43-101.

Project Description

The Vizcachitas Property covers a porphyry copper-molybdenum deposit that offers potential for a low strip, open pit operation in an area of low elevation with excellent infrastructure, including water and power in central Chile. The Vizcachitas deposit occurs in the same metallogenic belt as the large copper-molybdenum porphyries Rio Blanco-Los Bronces, Los Pelambres-El Pachon and El Teniente. Based on 35,255 metres of drilling in 130 diamond drill holes, the project contains an indicated resource of 515 million tonnes grading 0.39% copper and 0.011% molybdenum and an inferred resource of 572 million tonnes grading 0.34% copper and 0.012% molybdenum at a 0.30% copper equivalent cut-off. Additional information about the Vizcachitas project is available on the Company's website at www.losandesopper.com.

During Q3-2008, the Company continued to advance the Vizcachitas project. The second Phase drilling program was completed during the quarter, but drilling continues to delineate the total extent of the mineralization. Metallurgical testing began in the quarter, and six composite samples of Vizcachitas mineralization were sent to SGS Lakefield in Santiago for flotation tests. During June, AMEC began a scoping study/preliminary economic analysis of Vizcachitas and results of the study are expected to be available in October.

A total of 4,081.6 metres was drilled in 13 holes (LAV-121 to LAV-133) during the quarter as the Company continued to test the limits of the Vizcachitas porphyry system in an effort to expand the resource. Highlights of the drilling include:

- LAV-123 that intersected 0.49% Cu and 0.01 % Mo (0.56% Cu eq.*) over 234 metres including 0.60% Cu over 38 metres;
- LAV-124 that intersected 0.34% Cu and 0.014% Mo (0.43% Cu eq.*) over 653.2 metres, including an 88 metre intersection grading 0.65% Cu and 0.016% Mo (0.76% Cu eq.*);

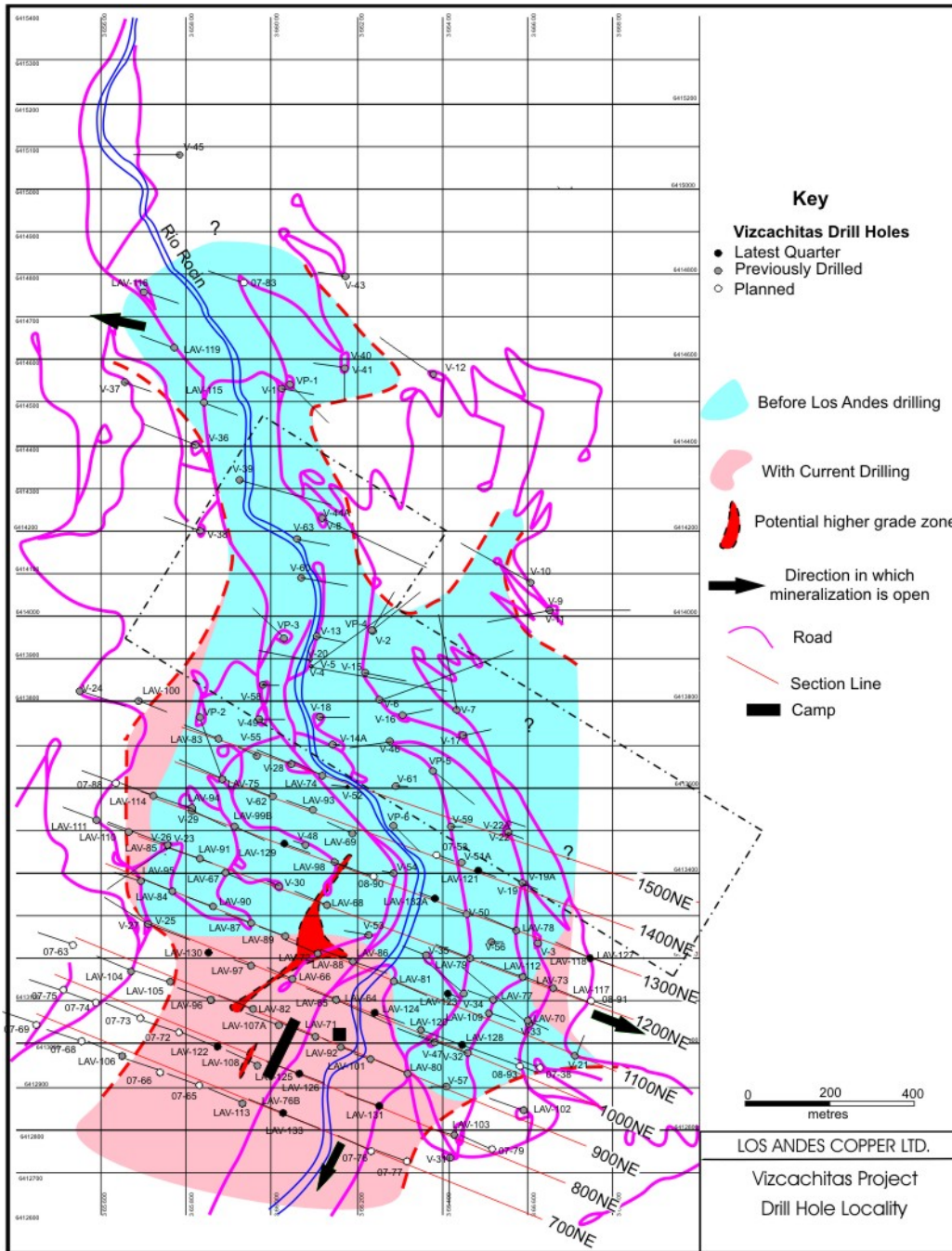
- Hole LAV-125 that intersected a near surface interval grading 0.79% Cu and 0.012% Mo (0.87% Cu eq.*) over 20 metres;
- Hole LAV-126 that intersected 0.55% Cu and 0.03% Mo (0.75% Cu eq.*) over 50.85 metres including 0.67% Cu and 0.035% Mo (0.90% Cu eq.) over 18 metres and
- LAV-131 that intersected 0.68% Cu and 0.014% Mo (0.77% Cu eq.*) over 209.2 metres including 0.71% Cu and 0.014% Mo (0.80% Cu eq.*) over 129.2 metres and 0.95% Cu and 0.02% Mo (1.08% Cu eq.) over 26 metres.

A summary of the highlights of the drilling conducted during the quarter, for which results are available, is shown in the following table:

Hole ID	From (m)	to (m)	interval (m)	CuT (%)	Mo (%)	CuEq %*
LAV-123	36	270	234	0.49	0.010	0.56
including	258	270	12	0.73	0.006	na
and	36	108	72	0.56	0.012	0.64
including	44	82	38	0.60	0.009	na
including	46	62	16	0.66	0.010	0.73
LAV-124	194	568	374	0.42	0.019	0.55
including	238	376	138	0.60	0.016	0.71
including	238	326	88	0.65	0.016	0.76
including	264	298	34	0.71	0.015	0.81
including	286	298	12	0.77	0.013	0.86
LAV-125	42.95	300	257.05	0.39	0.011	0.46
including	42.95	250	207.05	0.41	0.012	0.49
including	46	66	20	0.79	0.012	0.87
LAV-126	63.15	258	194.85	0.41	0.020	0.54
including	63.15	114	50.85	0.55	0.030	0.75
including	94	112	18	0.67	0.035	0.90
LAV-131	56.8	266	209.2	0.68	0.014	0.77
including	56.8	186	129.2	0.71	0.014	0.80
including	56.8	102	45.2	0.83	0.016	0.94
and	226	252	26	0.95	0.020	1.08

*Copper equivalent is calculated for Mo values greater than 0.01% using US\$1.50/lb Cu and US\$10.00/lb Mo according to the formula $CuEq\% = Cu\% + (Mo\% \times 10.00/1.50)$ and is not adjusted for metallurgical recoveries or net smelter return which remain uncertain and are assumed to be 100%.

Locations of the drill holes can be found on the plan given below, which highlights holes drilled in Q3-2008. Arrows indicate the main directions in which the mineralization remains open.



Subsequent to the end of Q3-2008, on July 16, 2008, the Company announced an updated interim resource estimate for the Vizcachitas deposit. Robert Sim, P.Geo., a qualified person as defined by NI 43-101 is responsible for the mineral resource estimate.

The interim sulphide mineral resource estimate at a 0.3% CuEq.(*) cutoff is as follows:

Indicated Resources

515 million tonnes (“MT”) grading 0.39% CuT and 0.011% Mo (0.46% CuEq *)
 Contains **4.43** billion pounds (“lbs”) copper and **125** million lbs molybdenum

Inferred Resources

572 MT grading 0.34% CuT and 0.012% Mo (0.41% CuEq *)

Contains **4.29** billion lbs copper and **151** million lbs molybdenum

The updated NI 43-101 compliant mineral resource estimate is shown in the tables below at different cutoff grades:

SULPHIDE INDICATED MINERAL RESOURCES

Cut-off Grade (CuEq%) (1)	Mtonnes	TCu (%)	Mo (%)	CuEq (%)	Cu (Billion lb)	Mo (Million lb)
0.20	597	0.36	0.010	0.43	4.74	132
0.25	563	0.37	0.011	0.44	4.59	136
0.30 (2)	515	0.39	0.011	0.46	4.43	125
0.35	442	0.41	0.012	0.48	4.00	117
0.40	351	0.43	0.012	0.51	3.33	93
0.45	252	0.47	0.013	0.55	2.61	72
0.50	160	0.51	0.013	0.60	1.80	46

SULPHIDE INFERRED MINERAL RESOURCES

Cut-off Grade (CuEq%) (1)	Mtonnes	TCu (%)	Mo (%)	CuEq (%)	Cu (Billion lb)	Mo (Million lb)
0.20	798	0.30	0.010	0.36	5.28	176
0.25	685	0.32	0.011	0.39	4.83	166
0.30 (2)	572	0.34	0.012	0.41	4.29	151
0.35	420	0.36	0.013	0.44	3.33	120
0.40	280	0.39	0.013	0.48	2.41	80
0.45	176	0.43	0.014	0.52	1.67	54
0.50	92	0.46	0.016	0.57	0.93	32

(1) Copper equivalent is calculated using US\$1.50/lb Cu and US\$10.00/lb Mo according to the formula $Cu\ eq\ \% = Cu\ \% + (Mo\ \% \times 6.67)$ and assumes 100% mining and metallurgical recoveries which remain uncertain.

(2) Sulphide “base case” cut-off grade of 0.30%CuEq highlighted in tables.

(3) Mineral resources do not have demonstrated economic viability.

The resource estimate also includes a near surface mixed leached/oxide zone which may have different metallurgical characteristics to the sulphide zone and has thus been separated out. Results for this “oxide” zone are shown below:

OXIDE INDICATED MINERAL RESOURCES

Cut-off Grade (TCu%)	Mtonnes	TCu (%)	Mo%	Cu (million lb)	Mo (million lb)
0.1	69	0.33	0.009	502	14
0.15	63	0.35	0.010	486	14
0.2	55	0.38	0.010	461	12
0.25	47	0.40	0.010	414	10
0.3	38	0.44	0.010	369	8
0.35	29	0.47	0.010	300	6
0.4	21	0.51	0.010	236	5

OXIDE INFERRED MINERAL RESOURCES

Cut-off Grade (TCu%)	Mtonnes	TCu (%)	Mo%	Cu (million lb)	Mo (million lb)
0.1	67	0.21	0.005	310	7
0.15	51	0.24	0.005	270	6
0.2	33	0.28	0.007	204	5
0.25	22	0.31	0.007	150	3
0.3	8	0.37	0.006	65	1
0.35	5	0.42	0.007	46	0.7
0.4	3	0.46	0.008	30	0.5

- (1) The degree of oxidation is highly variable and it is unknown what effects this may have on the metallurgical characteristics at this stage.
- (2) Oxide "base-case" cut-off grade of 0.2% CuT highlighted in tables.
- (3) Mineral resources do not have demonstrated economic viability

Nine Months Ended June 30, 2008

Financial Review

The Company incurred a net loss of \$1,524,484 or \$0.02 per share in the nine months ended June 30, 2008 ("YTD 2008"), compared to a net loss of \$1,927,750 or \$0.05 per share in the nine months ended June 30, 2007 ("YTD 2007").

The results of operations in YTD 2007 include a loss from discontinued operations of \$689,118.

Comparative analysis of expenses between the two periods is not fully meaningful due to the change in the nature of the Company's operations, as results for Q1-2007 include operations of the Company's former Chinese properties, and no operations from Vizcachitas.

In YTD 2008 the most significant expense has been stock-based compensation expense of \$1,026,272, incurred in connection with the grant of 2,800,000 options to directors, officers and consultants of the Company. 2,500,000 of the options have a five-year term to November 30, 2012, vested at the time of grant and are exercisable at \$0.51 per share. A further 250,000 options have a five-year term to April 30, 2013 and are exercisable at \$0.62 per share.

Other major expenses are consulting, salaries and management fees of \$260,686, including one-time costs of approximately \$56,000, professional fees of \$96,453, shareholder communication expense of \$60,530 and transfer agent, regulatory and filing fees of \$59,683.

Deferred Exploration

During Q1-2007, Los Andes, through its former wholly owned subsidiary Tun mined, developed and explored properties in China in association with the Yunnan Province Dianxi Geological Engineering, Exploration Development Company under the "Yunnan Yuntong JV".

Effective January 1, 2007 Los Andes entered into an agreement to sell all of the outstanding shares of Tun, thereby selling its interest in the Chinese properties.

Subsequent to the sale of the Chinese properties, all exploration work carried out was in connection with the acquisition of the Vizcachitas property and the drill programs outlined above.

YTD-2008 the Company has incurred property acquisition costs of \$1,001,037, acquisition of water rights of \$2,103,667 and deferred exploration costs of \$4,237,886, which in aggregate represent an increase of \$7,342,590 to the carrying value of its mineral properties.

YTD-2008 the Company completed a payment of \$2,103,667 for the acquisition of 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 Vizcachitas.

Under the terms of the agreement, the Company agreed to pay the vendor US\$17,000 per lps, for a total of US\$4,250,000, as follows:

- US\$2,125,00 on execution of contract (completed)
- US\$1,062,500 in March 2009, the first anniversary of the agreement
- US\$1,062,500 in March 2010, the second anniversary of the agreement

Summary of Quarterly Results

	QUARTERS ENDED			
	June 30, 2008 \$	March 31, 2008 \$	December 31, 2007 \$	September 30, 2007 \$
Loss	(320,710)	(99,080)	(1,104,694)	(2,417,493)
Loss Per Share ⁽¹⁾	-	-	(0.02)	(0.05)
	June 30, 2007 \$	March 31, 2007 \$	December 31, 2006 \$	September 30, 2006 \$
Earnings (Loss)	(928,508)	(237,111)	(762,131)	1,329,723
Earnings (Loss) Per Share ⁽¹⁾	(0.02)	(0.01)	(0.03)	0.11

(1) Presented on an undiluted basis.

Liquidity and Capital Resources

As at June 30, 2008 the Company had cash and cash equivalents of \$656,222 and a working capital deficiency of \$35,910, compared to cash of \$1,272,361 and working capital of \$939,205 at September 30, 2007.

In the nine months ended June 30, 2008, the Company closed two private placements for gross proceeds of \$8,000,000. In connection with the placements, the Company issued 16,000,000 units, each unit consisted of one common share and one-half of one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at a price of \$0.75 until November 24, 2008 (7,500,000 warrants) and January 12, 2009 (500,000 warrants). The Company also paid aggregate finders' fees of \$340,025.

The Company has used cash of \$7,299,505 in fiscal 2008 in investing activities, namely \$4,165,157 for deferred exploration costs (including the effect of changes in accounts payable for deferred exploration in the period), \$2,103,667 for the first payment towards the acquisition of significant water rights, \$1,001,037 in property acquisition costs and acquisition of fixed assets of \$29,644.

The \$1,001,037 for property acquisitions in fiscal 2008 is for option payments pursuant to a September 21, 2005 which provides the Company with an option to acquire a 100% interest in the Additional Concessions. The remaining payments under the agreement are as follows:

US\$	700,000	Due on	November 30, 2008
	700,000		May 31, 2009
	<u>800,000</u>		November 30, 2009
US\$	<u>2,200,000</u>		

The Company's long-term debt is comprised of a \$5,659,470 future income tax liability recorded in compliance with Canadian GAAP to account for the potential tax effect derived from the excess carrying cost of the Company's mineral properties, as compared to the properties' tax basis. The future income tax liability does not represent an amount currently due by the Company to tax authorities in Canada or Chile.

Los Andes relies on the issuance of share capital to fund operations. There can be no assurance that Los Andes will be able to obtain required financing in the future on acceptable terms to fund anticipated mineral development costs and operating losses in upcoming periods. General financial market conditions will have an impact on Los Andes' ability to raise funds in the future.

Transactions with Related Parties

During the quarter ended June 30, 2008, the Company paid or accrued \$39,925 in management fees (Quarter ended June 30, 2007: \$46,663), \$14,300 in geological consulting fees (Quarter ended June 30, 2007: \$10,888), \$10,195 in directors' fees (Quarter ended June 30, 2007: \$nil) and \$8,025 in legal fees (Quarter ended June 30, 2007: \$8,025) to directors or companies related to directors and officers of the Company.

Included in the accounts payable and accrued liabilities balance at June 30, 2008 are \$21,687 due to officers and directors of the Company (June 30, 2007: \$13,195).

Amounts due to and from related parties are non-interest bearing, unsecured and have no fixed terms of repayment. These transactions were in the normal course of operations and were measured at fair value as determined by management.

Subsequent Events

Subsequent to June 30, 2008, the Company completed a \$7,500,000 private placement. In connection with the placement, the Company issued 15,000,000 units at a price of \$0.50 per unit. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at a price of \$0.70 until August 21, 2009. A total of 8,830,000 units were sold pursuant to the brokered portion of the private placement, and 6,170,000 units were sold pursuant to the non-brokered portion of the private placement. In connection with the brokered portion of the private placement, Los Andes paid Agents' commissions totaling \$286,975, a corporate finance fee of \$20,000, and issued a total of 350,000 Agents' warrants. Each of the Agents' warrants entitles the holder to acquire one additional common share of the Company at a price of \$0.55 until August 21, 2009. In connection with a portion of the non-brokered portion of the private placement, Los Andes paid aggregate finder's fees of \$116,325. All securities issued in connection with the placement are subject to a four month hold period expiring December 22, 2008.

Critical Accounting Estimates

There were no changes to the Company's critical accounting estimates during the three and nine months ended June 30, 2008. The most significant estimates are related to the physical and economic lives of mineral assets, and their recoverability.

Changes in Accounting Policies, Including Initial Adoption

Effective October 1, 2007 the Company adopted the following new accounting standards:

Section 1400 - Assessing Going Concern

CICA Handbook Section 1400, as amended, changed the guidance related to management's responsibility to assess the ability of an entity to continue as a going concern. Management is required to make an assessment of the Company's ability to continue as a going concern, taking into account all information available for at least, but not limited to 12 months from the balance sheet date. Disclosure is required of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern. The adoption of this standard had no impact on the Company's presentation of its financial position or consolidated results of operations as at June 30, 2008 and the three and nine month periods then ended.

Capital Disclosures - (Section 1535)

This Section establishes standards for disclosing information about an entity's capital and how it is managed.

Financial Instruments – Disclosures - (Section 3862)

This Section requires additional disclosures to enable users of the Company's financial statements to evaluate the significance of financial instruments to the Company's financial position and performance. In addition, qualitative and quantitative disclosures are provided to enable users to evaluate the nature and extent of risks arising from the Company's financial instruments.

Internal Controls over Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian Generally Accepted Accounting Principles. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There were no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2008 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

International Financial Reporting Standards

In February 2008, the Accounting Standards Board ("AcSB") approved a strategic plan which requires public companies to converge with International Financial Reporting Standards ("IFRS") for fiscal periods beginning on or after January 1, 2011. The Company will therefore be required to have comparative financial information prepared under IFRS as of October 1, 2010. The Company is assessing the impact of convergence of Canadian GAAP and IFRS.

Other MD&A Requirements

As of August 26, 2008, the Company has outstanding 93,599,266 common shares, 27,250,000 exercisable warrants (at prices ranging from \$0.55 to \$1.00 per share) and 4,850,000 exercisable stock options (at exercise prices ranging from \$0.40 to \$0.62).

Additional information is available on the Company's website at www.losandescopper.com. To view the public documents of the Corporation, please visit the Corporation's profile on the SEDAR website at www.sedar.com.

Cautionary Statement on Forward Looking Information

This Report contains “forward looking statements”. These forward looking statements include, but are not limited to, statements regarding the Company’s strategic plans, property search and evaluation plans, estimated levels of expenditures, acquisition targets and commitments. Forward-looking statements express, as at the date of this Report, The Company’s plans, estimates, forecasts, projections, or beliefs as to future events or results and the Company does not intend, and does not assume any obligation, to update these forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects”, or does not expect”, “is expected”, “budget”, “schedule” , “estimates”, “intends”, “anticipates”, or “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, or “will be taken”, “occur”, or “be achieved”. We caution that forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events may differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward – looking statements include, but are not limited to the success of the Company’s acquisition criteria, the success in completing further financing and closing on any target acquisitions, currency fluctuations, the ability of the Company to conduct its business in Chile, risks inherent with the mining industry, unexpected regulatory changes, delays in the completion of critical activities and other risks inherent to the Company’s activities.