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**LOS ANDES COPPER LTD. (formerly GHG RESOURCES LIMITED)
Management Discussion & Analysis
For the Quarter and Nine Months Ended June 30, 2007**

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 27, 2007, and should be read in conjunction with the Company’s unaudited consolidated financial statements and the notes thereto prepared as at June 30, 2007 and the Company’s audited consolidated financial statements and the notes thereto for the year ended September 30, 2006.

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. The property contains a NI43-101 compliant indicated resource of 144 M tonnes grading 0.52% copper and 0.015% molybdenum, and additional inferred resources of 211 M tonnes grading 0.46% Cu and 0.016% Mo at a 0.4% 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. Accordingly, the operations of the Company in the reporting quarter and in the nine months ended June 30, 2007 differ substantially from prior periods and are not readily comparable.

Overall Performance

The three months ended June 30, 2007 (“Q3-2007”) represent the first full quarter of exploration and development activities at Vizcachitas. During the quarter the Company incurred acquisition costs of \$552,626 and deferred development costs of \$116,883, an aggregate investment of \$669,509. During the period, a 5,000 metre drilling program, currently in progress, was approved by the Company’s board of directors.

During Q3-2007, the Company incurred a net loss of \$928,508, with the most significant item being stock-based compensation expense of \$777,622 incurred in connection with options granted during the period. Excluding stock-based compensation expense, the quarterly loss was \$150,886, which approximates the quarterly level of losses expected in subsequent periods.

In Q3-2007 a total of 7,050,000 warrants at a price of \$0.20 per share were exercised, for proceeds to the Company of \$1,410,000. Subsequent to quarter-end, a further 2,900,000 warrants at \$0.20 per share were exercised for additional proceeds of \$580,000. The Company’s cash balance and working capital at June 30, 2007 were \$1,877,508 and

\$2,348,278 respectively. Los Andes is well capitalized to carry out the first drilling program at Vizcachitas since the 1990s.

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 all of the issued and outstanding shares in Compañía Minera Vizcachitas Holding ("CMV"), a company incorporated under the laws of Chile. 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.

The SJ Concessions are subject to NSR royalties of which the Company's portion is a 1.02% NSR royalty on surface mining and a 0.51% NSR royalty on underground mining. The Additional Concessions are subject to a NSR royalty of 1% on any surface production and 2% on any underground production on the claims.

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 Jose SLM. This SLM provides ownership of an important central zone of the existing mineralization of the Vizcachitas property. 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 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. Initial work programs at 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 will enable Global to acquire one additional share of the Company for a period of three years to February 8, 2011, 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.

Disposition of Former Mineral Properties

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 \$1,000,000 payment was to be made in three instalments, \$100,000 on April 20, 2007 (received), \$400,000 on May 31, 2007 (received) and \$500,000 on July 31, 2007 (partially received). A total of \$300,000 remains outstanding. The Company and the Purchaser have agreed that the final \$300,000 will be paid on September 30, 2007, together with interest on the outstanding balance at a rate of 1% per month. The Company recorded a gain of \$23,395 on disposition of these properties.

Results of Operations

Quarter Ended June 30, 2007

Financial Review

During Q3-2007 the Company incurred \$552,626 in acquisition costs. Included in these costs is a US\$500,000 payment made on May 31, 2008 as per a September 21, 2005 agreement whereby the Company was granted an option to acquire a 100% interest in the Additional Concessions. The remaining payments under the agreement are as follows:

US\$	500,000	Due on	November 30, 2007
	500,000		May 31, 2008
	700,000		November 30, 2008
	700,000		May 31, 2009
	<u>800,000</u>		November 30, 2009
US\$	3,200,000		

In Q3-2007 the Company incurred \$116,883 in deferred exploration expenses. The breakdown of the expenses is as follows:

Automobile and travel	\$	4,001
Camp maintenance & security		6,608
Core handling & storage		10,154
Equipment rental		4,398
Exploration administration		19,202
Geological consulting		11,688
Other		16,889
Property & surface rights, taxes & tenure fees		11,708
Studies & other consulting		21,978
Supplies		<u>10,257</u>
	\$	116,883

Deferred exploration expenses are expected to be higher in subsequent quarters as the Company carries out its drilling program.

The Company incurred a net loss of \$928,508 or \$0.02 per share in Q3-2006. The most significant expense in the period was stock-based compensation expense of \$777,622 incurred in connection with the grant of 2,000,000 options to directors, officers and a consultant of the Company. The options have a five-year term to May 10, 2012, vested at the time of grant and are exercisable at \$0.60 per share.

Normalized loss excluding stock-based compensation expense was \$150,886. The most significant items are consulting and management fees of \$64,662, foreign exchange expense of \$52,209 and professional fees of \$22,259. The foreign exchange expense is mostly of an unrealized nature and is the result of the Company holding certain of its cash position in US dollars, which depreciated as at the end of the quarter compared to the Canadian dollar, the Company's reporting currency.

Losses in subsequent periods are expected to remain comparable to the level of normalized losses incurred in the quarter.

Deferred Exploration

Work during Q3-2007 was focused on the Vizcachitas property acquired in February, 2007. Historical data from work programs carried out in the 1990s was reviewed and check logging of drill core stored at the Vizcachitas camp was carried out. Results of the review and check logging were used to plan a 5,000 metre drill program for the Vizcachitas property. The aim of the program is threefold: to confirm the historical drilling carried out in the 1990s; to upgrade inferred resources to the indicated category; and to test for extensions of the known mineralization to the south and east. During the quarter the existing camp at Vizcachitas was refurbished in preparation for the drilling program.

The drilling program began subsequent to the end of the quarter and approximately 3,000metres have been drilled to date. Drilling has extended the mineralization to the southwest, and it remains open in that direction. Analytical results from the first three holes indicate copper and molybdenum grades similar to those obtained in the earlier drilling programs.

Nine Months ended June 30, 2007

Financial Review

The results of operations for the nine-month period ended June 30, 2007 ("YTD-2007") include expenses incurred in connection with the Company's former operations in China for the period October 1 to December 31, 2006 and are therefore not indicative of expected levels of expenditure in upcoming periods.

The most significant expense YTD-2007 was stock-based compensation expense of \$777,622, followed by cost of sales of \$640,564 entirely associated with the former Chinese operations and professional fees of \$168,224. The level of professional fees incurred YTD-2007 is higher than would be expected under normalized operations and includes extraordinary expenses incurred in connection with the acquisition of Vizcachitas and the disposition of the Chinese properties.

The net loss in the nine months ended June 30, 2007 was \$1,927,750 (a loss per share of \$0.05).

Deferred Exploration

During the period October 1, 2006 to January 1, 2007, Los Andes, through its former wholly owned subsidiary, Tun Resources Inc. ("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 planning of the drill program as outlined above.

Summary of Quarterly Results

	QUARTERS ENDED			
	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006
Income (Loss)	(928,508)	(237,111)	(762,131)	1,329,723
Income (Loss) Per Share ⁽¹⁾	(0.02)	(0.01)	(0.07)	0.11
	June 30, 2006	March 31, 2006	December 31, 2005	September 30, 2005
Income (Loss)	2,234	(120,111)	(77,261)	114,401
Income (Loss) Per Share ⁽¹⁾	-	(0.01)	(0.01)	0.01

⁽¹⁾ Presented on an undiluted basis.

Liquidity and Capital Resources

As at June 30, 2007 the Company had a cash position of \$1,877,508 and working capital of \$2,348,278, compared to cash of \$893,269 and working capital of \$1,767,464 at March 31, 2007 and cash of \$4,173,910 and working capital of \$2,755,062 at September 30, 2006.

Advances and receivables of \$518,840 include \$500,000 due from the purchasers of Tun, of which \$200,000 was received subsequent to quarter end and \$300,000 is due at September 30, 2007. Other receivables include GST input tax credits in Canada of \$18,840.

During the nine months ended June 30, 2007, Los Andes completed a non-brokered private placement comprised of 20,000,000 units at a price of \$0.60 per unit for gross proceeds of \$12,000,000. Each unit consists of one common share and one share purchase warrant entitling the holder to acquire one additional common share of Los Andes at a price of \$1.00 per share for a period of one year to February 8, 2008. Following the issuance of the securities, if at any time following the expiration of the four month period, the closing price of Los Andes' shares is at least \$1.25 per share for 10 consecutive trading days, Los Andes has the right to notify the purchasers that the expiry date for the exercise of the warrants will be shortened to 30 days. A finder's fee was payable in units in connection with the private placement, for a total of 1,382,383 units at a cost of \$829,430. The units issued as finders' fees have the same terms and conditions as those sold in the private placement. The proceeds for the private placement were used to finance the purchase of the Vizcachitas property.

As previously disclosed, on February 8, 2007 Los Andes completed the acquisition from Global of all of Global's interest in the Vizcachitas property. As consideration for the acquisition, Los Andes paid \$12,248,724 (US\$10,400,000) and issued to Global 6,280,000 shares and 3,900,000 share purchase warrants in the capital of Los Andes. Each warrant is exercisable for a period of three years to February 8, 2010 and entitles Global to acquire one additional share of Los Andes at a price of \$1.00 per share. A finder's fee of 1,500,000 common shares at a cost of \$900,000 was paid by Los Andes in connection with the acquisition.

During the nine months ended June 30, 2007, Los Andes received \$1,515,100 from the exercise of 7,770,000 warrants at prices ranging from \$0.13 to \$0.20 per share.

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, 2007, the Company paid \$46,663 in management fees, \$10,888 in geological consulting fees and \$8,025 in legal fees to companies related to directors and officers of the Company. Included in the accounts payable and accrued liabilities balance at June 30, 2007 is \$13,195 due to officers and directors of the Company.

These transactions were in the normal course of operations and were measured at fair value as determined by management.

Critical Accounting Estimates

In connection with the disposition of its Chinese mineral properties, the Company no longer has an asset retirement obligation, which represented a significant account estimate in prior periods. Currently, 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

Accounting Changes

Effective October 1, 2006, the Company adopted the revised CICA Section 1506 "Accounting Changes", which requires that (a) a voluntary change in accounting principles can be made if, and only if, the changes result in more reliable and relevant information, (b) changes in accounting policies are accompanied with disclosures of prior period amounts and justification for the change, and (c) for changes in estimates, the nature and amount of the change should be disclosed. The Company has not made any voluntary change in accounting principles since the adoption of the revised standard.

Financial Instruments

Effective October 1, 2006, the Company adopted the new accounting standards and related amendments to other standards on financial instruments issued by the CICA. Prior periods have not been restated.

Financial Instruments – Recognition and Measurement (Section 3855): The standard prescribes when a financial asset, financial liability and non-financial derivative is to be recognized on the Balance Sheet and whether fair value or cost-based measures should be used to measure the recorded amounts. It also specifies how financial instruments gains or losses should be presented. Fair value is determined directly by reference to published price quotations in the active market where the securities are traded. Changes in the fair value of these instruments

are reflected in income and included in shareholders' equity on the Balance Sheet. The Company has determined that at June 30, 2007, it has no financial instruments or derivatives, including embedded derivatives.

Hedges (Section 3865): The standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the existing Accounting Guideline 13 (acG-13) "Hedging Relationships" and Section 1650 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. At June 30, 2007, the Company had no hedging relationships.

Comprehensive Income (Section 1530): The standard requires the presentation of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses related to self-sustaining operations, all of which are not included in the calculation of net earnings until realized. Comprehensive income is being disclosed as a component in the Company's Statement of Shareholders' Equity.

Subsequent Events

Subsequent to June 30, 2007:

- a) An aggregate of 2,900,000 warrants at an exercise price of \$0.20 per share were exercised, for proceeds to the Company of \$580,000.
- b) An aggregate of 50,000 stock options were issued to a consultant of the Company. The options have an exercise price of \$0.40 per share, vested on granting and have a five year term to August 28, 2012.

Other MD&A Requirements

As of August 28, 2007, the Company has outstanding 62,599,266 common shares, 25,282,383 exercisable warrants (at a price of \$1.00 per share) and 2,050,000 exercisable stock options (at exercise prices ranging from \$0.40 to \$0.60).

Additional information is available on SEDAR at www.sedar.com and at 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.ca.

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.