



## **News Release**

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### **LOS ANDES COPPER PROVIDES UPDATE ON THE ONGOING WORK FOR THE VIZCACHITAS PRE-FEASIBILITY STUDY**

Vancouver, BC – Los Andes Copper Ltd. ("Los Andes" or the "Company", TSX Venture Exchange: LA) is pleased to present an update on the work conducted in order to progress the Pre-Feasibility Study ("PFS") on the Company's Vizcachitas Project ("Vizcachitas" or the "Project").

The Preliminary Economic Assessment (PEA) delivered in June 2019 provided a conceptual plan for developing the Vizcachitas Project. A PFS is currently underway and areas of work being advanced include, processing, tailings facility, infrastructure, geology, mine plan, environment and social and community engagement.

The current COVID-19 situation, while delaying some of the metallurgical testwork and field work, has not delayed the progress of the main engineering study. All employees and subcontractors are working from home where possible and only a small group of individuals are working to prepare samples in the Company's Santiago core storage area.

#### **Highlights of the main advances in the PFS**

- Testwork has shown that a HPGR circuit is feasible for the Project and could provide enhanced project economics with lower energy consumption and increased operating flexibility.
- The mineral is amenable to filtering and dry-stack tailings. This change would significantly reduce the Project's water consumption, footprint and environmental impact.
- Due to the reduced footprint required for dry stacked tailings, it is possible to have all project infrastructure in one operating complex in the Rocin Valley. The PEA outlined infrastructure in both the Rocin Valley and the Chalaco Valley.

Fernando Porcile, Executive Chairman of Los Andes, commented:

*"I am delighted that we are continuing to make significant progress with the PFS during these difficult times.*

*"The results from the testwork carried out to date are encouraging and now with the approval of the environmental declaration for the PFS drill programme allowing us to carry out further drilling in the coming months, we will be able to complete certain other aspects of the study, therefore further contributing to the delivery of a robust PFS."*

*"I look forward to keeping the market up to date with our progress."*

## **Processing**

Studies on the feasibility of using a HPGR circuit are progressing and show the potential for enhanced project economics, lower energy consumption, reduced maintenance and increased operational flexibility. HPGR technology has been identified as the most attractive grinding alternative, given the data obtained from the preliminary testwork conducted to date.

The flotation optimisation testwork conducted to date has shown revised conditions (when compared to the PEA) which should increase overall copper and molybdenum recoveries by improving floatability with reduced grinding requirements. Flotation testing was conducted on the "Upper Zone" composite from the 2018 testwork which had the lowest metallurgical recoveries from those composite samples.

The mineral characterisation carried out in 2017-2019 on over 80 variability samples showed that the mineralized rock, with copper head grades between 0.18 – 1.00%, molybdenum head grades between 30 – 500 ppm, had a low presence of clays (mainly kaolinite), favouring flotation and water recovery performance.

## **Tailings Facility**

The settling and filtering testwork conducted to date is indicating that filtered dry-stacked tailings are a viable alternative to thickened tailings. The 2019 laboratory settling testwork with four composite samples from the 2018 testwork shows good settling rates for tailings, even for the worst samples. The Vizcachitas mineralisation has favorable filtration rates suitable for belt filters. Nevertheless, belt filters are being considered in combination with pressure filters to treat the finer fraction of tailings and retain excess filtering capacity to reduce operational risks.

Dry-stacked tailings would:

- Reduce water consumption by approximately 50%
- Reduce the Project's footprint
- Be better suited for areas of high seismic activity
- Be transported by trucks or conveyors
- Eliminate the need for a traditional dam wall
- Reduce the environmental risk by avoiding contact with ground water

## **Infrastructure**

All the project infrastructure is located in the Rocin Valley, reducing the Project's footprint and environmental impact.

- The PFS layout has the crushing and grinding area built over a mine waste backfill platform close to the mine and the concentrator is built on the east side of the Rocin Valley. CAPEX related to excavations and earthworks is reduced as pre-stripping is used as the backfill.
- Dry filtered tailings are stacked within the Rocin Valley.
- A 220 kV power line would be routed to a substation near the city of Los Andes, reducing its length from a 105 km line in the PEA to 65 km line.
- The concentrate would be loaded into sealed contains (Rotainers) and transported by truck to a transfer station near San Felipe, where its freighted by railway to the Ventanas, Valparaíso or San Antonio ports.

## **Ongoing and outstanding tasks**

The Company has also been progressing a number of other areas of the PFS.

### *Drilling*

With the environmental approval obtained in April 2020 and the corresponding resolution issued this week, additional drilling can commence during the third quarter of this year. The information from this drilling programme will be used to update the geological and domain models and the Company expects to then be able to generate an updated resource estimate.

### *Mine Plan*

Work to date has included operational pit design for the definition of PFS drilling, push-back sequence strategy, waste dump strategy and preliminary design, and definition of early earth movement and upper level access for the process plant and infrastructure engineering.

With the results of the upcoming drilling, the Company expects to be able to finalize an operational mine plan and prepare a reserve statement. As part of this process, the drilling results will also be used to prepare an updated geotechnical assessment.

### *Processing*

A program of additional composite preparation and testing is underway, as well as the definition of further variability samples which are to be included in the testwork. Pending work also includes selective molybdenum and copper flotation testing, critical water content testing (Atterberg limits) and environmental characterization of the tailings.

### *Infrastructure*

The main ongoing items include the trade-off studies for water procurement infrastructure and preliminary engineering, and the design of the Rocín River diversion intake and tunnel.

### *Environment*

Approval of the environmental declaration (“DIA”) for PFS drilling has been obtained. The work for the environmental impact assessment (“EIA”) for the construction and operation of the Project is underway, including the identification of environmentally sensitive areas to be avoided during project design, seasonal environmental baseline work and the implementation of the river monitoring stations for hydrology and water quality baseline studies. Further impact studies and baseline work (air quality, paleontological, archeological, etc.) will be required once the Project is further defined.

### *Social & Community Engagement*

Meetings with community organizations and authorities to present the Project have been taking place on an ongoing basis. The Company has implemented a program of community engagement activities which has included funding educational and other social programs. The recent environmental approval has included commitments for social programs which are being implemented.

As the Project is further defined, the social baseline work needs to be updated and expanded. A formal community consultation process has to be conducted as part of the EIA preparation. This process can only be carried out once the key elements of the Project are determined.

### **Time Line**

Depending on how the COVID-19 situation develops, the Company expects the Pre-Feasibility Study to be completed by the end of the first quarter in 2021.

A presentation has been prepared with further details on the PFS update and is available on the Company's website: <https://www.losandescopper.com/>

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### **About Los Andes Copper Ltd.**

Los Andes Copper Ltd. is an exploration and development company with an 100% interest in the Vizcachitas Project in Chile. The Company is focused on progressing the Project, which is located along Chile's most prolific copper belt, into production. Vizcachitas is one of the largest copper deposits in the Americas not controlled by the majors and the Company believes it will be Chile's next major copper mine.

The Project is a copper-molybdenum porphyry deposit, located 120 km north of Santiago, in an area of very good infrastructure. The Company's Preliminary Economic Assessment (the "PEA"), delivered in June 2019, highlights that the Project has a post tax NPV of \$1.8 billion and an IRR of 20.77%, based on a \$3 per pound copper price. It also has a Measured Resources of 254.4 million tonnes having a grade of 0.439% copper and Indicated Resource of approximately 1.03 billion tonnes having a grade of 0.385% copper. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Please refer to the technical report dated June 13, 2019, with an effective date of May 10, 2019 and titled "Preliminary Economic Assessment of the Vizcachitas Project", prepared by Tetra Tech.

The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

Additionally, there is significant exploration upside at Vizcachitas with potential to increase the resource base beyond the initial 45-year mine life.

Los Andes Copper Ltd. is listed on the TSX-V under the ticker: LA.

### **Qualified Persons**

Antony Amberg CGeol FGS, the Company's President and CEO, and Romke Kuyvenhoven, Member of Chilean Mining Commission, the Company's Senior Metallurgical Consultant, are the qualified persons who have reviewed and approved the scientific and technical information contained in this news release.

*Certain of the information and statements contained herein that are not historical facts, constitute "forward-looking information" within the meaning of the Securities Act (British Columbia), Securities Act (Ontario) and the Securities Act (Alberta) ("Forward-Looking Information"). Forward-Looking Information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend"; statements that an event or result is "due" on or "may", "will", "should", "could", or "might" occur or be achieved; and, other similar expressions. Forward-looking Information in this news release includes, without limitation, statements regarding the Vizcachitas Project becoming Chile's next major copper mine, the ability to use filtering and dry-stacked tailings and the anticipated benefits therefrom, the Company's expectation that drilling will occur in the third quarter and that it will be able to prepare an updated resource estimate and reserve statement and finalize its operational mine plan, and the expected timing of completion of the PFS. Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information; including, without limitation, the achievement and maintenance of planned production rates, the evolving legal and political policies of Chile, the volatility in the Chilean economy, military unrest or terrorist actions, metal and energy price fluctuations, favourable governmental relations, the availability of financing for activities when required and on acceptable terms, the estimation of mineral resources and reserves, current and future environmental and regulatory requirements, the availability and timely receipt of permits, approvals and licenses, industrial or environmental accidents, equipment breakdowns, availability of and competition for future acquisition opportunities, availability and cost of insurance, labour disputes, land claims, the inherent uncertainty of production and cost estimates, currency fluctuations, expectations and beliefs of management and other risks and uncertainties, including those described in Management's Discussion and Analysis in the Company's financial statements. Such Forward-Looking Information is based upon a number of assumptions, including assumptions regarding the timing and receipt of regulatory approvals; global and Chilean economic, political and market conditions; the ability of the Company and other relevant parties to satisfy regulatory requirements; the availability of financing for proposed transactions and programs on reasonable terms acceptable to the Company; the price of metals and energy; and the ability of third parties service providers to deliver service in a timely manner. Among the factors that have a direct bearing on the Company's future results of operations and financial conditions are changes in project parameters as plans continue to be refined, a change in government policies, competition, currency fluctuations and restrictions and technological changes, among other things. Should one or more of any of the aforementioned risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the Forward-Looking Information. Accordingly, readers are advised not to place undue reliance on Forward-Looking Information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Information, whether as a result of new information, future events or otherwise.*

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