

Los Andes Copper Announces Signing of Royalty Agreement with Ecora Resources PLC for US\$20,000,000

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Vancouver, July 24, 2023 - [Los Andes Copper Ltd.](#) (TSXV: LA) (OTCQX: LSANF) ("Los Andes" or the "Company") is pleased to announce that it has entered into a royalty agreement (the "Royalty") with Ecora Resources PLC ("Ecora") for a total cash consideration of US\$20,000,000. The Royalty is calculated over the sale of all minerals produced from the Company's Vizcachitas Project in Chile (the "Vizcachitas Project"). Ecora will receive royalty payments calculated as 0.25% Net Smelter Royalty ("NSR") on minerals sold on open pit operations and 0.125% NSR on underground operations.

The Royalty agreement announced today is in addition to the existing NSRs in place on the Project, consisting of a 2% NSR for open pit operations and a 1% NSR on underground operations. The transaction is expected to close in the next two weeks.

Santiago Montt, CEO of Los Andes, commented: "We are very pleased to be entering into a new partnership with Ecora. The investment is testament to the superior quality and potential of the Vizcachitas Project and validates the extensive technical work undertaken by the team over many years. With the proceeds of this transaction, we can accelerate the implementation of a number of optimizations and further upside identified in our April 11, 2023 Pre-Feasibility Study."

Eduardo Covarrubias, Chairman of Los Andes, commented: "This transaction further strengthens the Company's balance sheet to a point never seen before. Los Andes is now in a unique position to evaluate and implement multiple shareholder value enhancing options at a project level including drilling and additional fieldwork and, subject to the required approvals, share buy backs to the extent they present attractive accretion opportunities for our shareholders."

Marc Bishop Lafleche, CEO of Ecora, commented: "The energy transition is expected to drive copper demand to new levels and we are delighted to add Vizcachitas to our growing portfolio of copper royalties. This transaction further complements our copper royalty exposure which is underpinned by a development pipeline poised to deliver continued growth until the middle of the next decade. Vizcachitas fits our core investment criteria as a large scale, low cost, and long-life project in an established mining region."

RBC Capital Markets is acting as financial advisor to Los Andes in connection with this transaction.

The Transaction

The transaction considers a price of US\$20,000,000 for a 0.25% open pit NSR and a 0.125% underground NSR over the entire Vizcachitas Project. The NSR rates will be subject to certain adjustments in the event of delays in beginning production:

- If the start of production is delayed up to June 30, 2030 no adjustments are applied
- If delays extend beyond June 30, 2030 and up to June 30, 2031, there is a first rate increase of 0.10% for open pit operations and 0.05% for underground operations
- If delays extend beyond June 30, 2031 and up to June 30, 2032, there is a second rate increase of 0.10% for open pit operations and 0.05% for underground operations
- If delays extend beyond June 30, 2032, there is a third rate increase of 0.10% for open pit operations and 0.05% for underground operations
- The Company has the option to avoid the second and third rate increases by paying at the time of those rate increases an amount equal to US\$15,000,000 (US\$20,000,000 if copper prices at that time exceed US\$5/lb)

About Los Andes Copper Ltd.

[Los Andes Copper Ltd.](#) is a development company with an 100% interest in the Vizcachitas Project in Chile. The Company is focused on progressing Vizcachitas, which is located along one of Chile's most prolific copper belts. 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 150 kilometers north of Santiago, in an area of very good infrastructure. An independent technical report for the PFS, prepared in accordance with NI 43-101, is available on the Company's SEDAR profile.

[Los Andes Copper Ltd.](#) is listed on the TSX-V under the ticker: LA.

About Ecora Resources PLC

Ecora Resources is a leading royalty company focused on supporting the supply of commodities essential to creating a sustainable future.

Ecora's vision is to be globally recognised as the royalty company of choice synonymous with commodities that support a sustainable future by continuing to grow and diversify its royalty portfolio in line with its strategy. The company will achieve this through building a diversified portfolio of scale over high quality assets that drives low volatility earnings growth and shareholder returns.

The mining sector has an essential role to play in the energy transition, with commodities such as copper, nickel and cobalt - key materials for manufacturing batteries and electric vehicles. Copper also plays a critical role in our electricity grids. All these commodities are mined and there are not enough mines in operation today to supply the volume required to achieve the energy transition.

Ecora's strategy is to acquire royalties and streams over low-cost operations and projects with strong management teams, in well-established mining jurisdictions. The company's portfolio has been reweighted to provide material exposure to this commodity basket and it has successfully transitioned from a coal orientated royalty business in 2014 to one that by 2026 will be materially coal free and comprised of over 90% exposure to commodities that support a sustainable future. The fundamental demand outlook for these commodities over the next decade is very strong, which should significantly increase the value of its royalty portfolio.

Ecora's shares are listed on the London and Toronto Stock Exchanges (ECOR) and trade on the OTCQX Best Market (OTCQX: ECRAF).

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