

ANDINA MINERALS INC.

Management's Discussion and Analysis

March 31, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2007

*The following discussion and analysis is management's assessment of the results and financial condition of Andina Minerals Inc. ("Andina" or the "Company") and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2006 and the unaudited consolidated financial statements for the three months ended March 31, 2007. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and **all dollar amounts are in United States dollars**. The date of this management's discussion and analysis is May 28, 2007. Andina's common shares trade on the TSX Venture Exchange under the symbol "ADM" and its most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed through the Internet at www.sedar.com.*

The "Independent Qualified Person(s)" under the guidelines of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI43-101") of the Canadian Securities Administrators for Andina's exploration projects in the following discussion and analysis are noted as follows. The February 2007 resource estimate for the Volcan property was carried out under the supervision of Michael Easdon, a Registered Professional Geologist resident in Santiago, Chile and Ralph Gonzalez, a Registered Professional Geologist resident in Burnaby, Canada, both of whom are independent consulting geologists. The most recent NI43-101 compliant technical report for the Volcan property was co-authored by Mr. Easdon and Mr. Gonzalez and is titled "Volcan Gold Project, Dorado West Zone, Region III, Chile" dated April 4, 2007. This report was filed at www.sedar.com on April 10, 2007. Mr. Gonzalez is the "Qualified Person" for the Volcan project as defined by NI43-101. Mr. Easdon has audited and previously prepared Andina's NI43-101 compliant technical reports (which have also been filed on www.sedar.com). Mr. Easdon was also the qualified person for the exploration programs for both the Aroma and Anocarire projects.

Andina is a development stage company with activities focused mainly on Andina's Volcan gold property where a drilling program is underway to increase the size of the present mineral resource of 62 million tonnes grading 0.99 grams per tonne gold ("g/t Au") gold for 1.98 million ounces of gold in the indicated mineral resource category and 46 million tonnes grading 1.00 g/t Au for 1.46 million ounces of gold in the inferred mineral resource category (at a cut-off grade of 0.5 g/t Au) (see Section 1.1).

1. Exploration Activities

Andina has acquired the right to purchase several mineral properties located within several of Chile's primary mining areas as summarized below:

Property	Target	Location
Volcan	Gold porphyry	Region III
Anocarire	Gold porphyry	Region I
Encrucijada	Gold/silver epithermal veins	Region III
Pampa Buenos Aires	Gold/silver epithermal veins	Region II
Valeriano	Gold/silver	Region III

All of the exploration properties are at an early stage of development. A summary of the work performed by the previous operators on these properties is reported within Andina's Technical Report titled "Review of Gold and Copper Exploration Potential of Mineral Properties in Chile" dated November 12, 2004 (filed at www.sedar.com on November 24, 2004).

1.1 Volcan Gold Project

The Volcan property, located 170 kilometres east of Copiapo in the centre of the Maricunga gold belt, has been subject in the past to systematic geological, geochemical and geophysical surveys and drilling campaigns.

In the first half of 2005, Andina undertook a limited exploration program (Phase I) on the Volcan property which included drilling a single hole into the Dorado East Zone. The results were encouraging and included a 146 metre interval from diamond drill hole DVA-01 grading 1.27 g/t Au commencing from surface and a second interval of 24 metres grading 0.67 g/t Au starting 262 metres downhole. This exploration program was halted for the season in the second quarter of 2005 due to severe winter storms.

During the third quarter of 2005, Andina completed an estimate of the mineral resource at the East Zone which outlined 12.3 million tonnes grading 1.04 g/t Au or 411,700 ounces of gold in the inferred mineral resource category at a cut-off grade of 0.5 g/t Au. The resource estimate incorporated historical drilling data, Andina's single drill hole, and surface trench sampling data.

With this benchmark resource established, Andina commenced a Phase II exploration program at the end of the third quarter of 2005 focused on significantly increasing the resource base in the Dorado area of the Volcan property. The initial focus of the exploration program was delineation and infilling drilling at the East Zone which was then followed by a delineation drilling program at the Central Zone which Andina had discovered during the Phase I program.

By February 2006, Andina had completed sufficient drilling on the East and Central Zones to undertake a new resource estimate which outlined 14.3 million tonnes grading 1.00 g/t Au or 459,800 ounces of gold based upon a cut off grade of 0.5 g/t Au in the indicated mineral resource category and 27.0 million tonnes in the inferred mineral resource category grading 0.89 g/t Au or 773,400 ounces of gold at a similar 0.5 g/t Au cut-off grade.

In addition to the East and Central Zones, a number of high priority areas were targeted during the Phase II program, the most significant being the West Zone which lies approximately 500 metres west of the Central Zone. Andina drilled 5,700 metres into the West Zone during the first half of 2006 which outlined a zone of gold mineralization over a strike length of approximately 600 metres to a depth of up to 400 metres and with widths of up to 200 metres. The most significant results from the West Zone were the two intersections of gold mineralization returned from Section 600: 362 metres grading 1.09 g/t Au (drill hole DOA-12) and 304 metres grading 0.92 g/t Au (drill hole DOA-05).

Approximately 700 metres north of the West Zone lies what is referred to as the NW Zone where a channel sample was taken from a trench returned 60 metres grading 1.59 g/t Au. A diamond drill hole (DOA-11) drilled below the trench returned 100 metres grading 1.10 g/t Au.

Andina also identified a new area of gold mineralization, the Ojo de Agua area, which is underlain by a large maar diatreme complex. This area is located 3 kilometres north northeast of the Dorado area. Channel sampling from a zone of mineralization in the Ojo de Agua area referred to as the Andrea Zone returned gold intervals up to 0.67 g/t Au over 205 metres while chip and grab samples returned anomalous gold assays over a broad area. The Andrea Zone represents a high priority drill target.

Over the six month Phase II Volcan exploration program, Andina:

- completed 18,693 metres of drilling which included 11,360 metres of reverse circulation drilling and 7,333 metres of diamond drilling;
- completed a resource estimate comprising the East and Central Zone during the first quarter 2006;
- completed sufficient drilling at the West Zone to prepare an updated resource estimate; and,
- identified targets for the Phase III (2006-2007) program which commenced in October 2006.

On September 18, 2006, Andina reported that the updated resource estimate for the Volcan property had significantly increased both the indicated and inferred mineral resources, up 310% and 150% respectively, as compared to its February 22, 2006 estimate. The Volcan property's indicated mineral resource increased to 43.9 million tonnes grading 1.02 g/t Au for 1.44 million ounces of gold and inferred mineral resources increased to 37.2 million tonnes grading 0.97 g/t Au for 1.16 million ounces of gold (both based on a cut-off grade of 0.5 g/t Au).

In October 2006, Andina commenced a 40,000 metre, Phase III drilling program on the Volcan property with the goal of continuing to increase the resource base of the Dorado area of the property as well as conducting preliminary exploration drilling in the Ojo de Agua area of the property. An interim resource estimate from Andina's ongoing Phase III drilling campaign on the Volcan property was released on February 26, 2007. The project's indicated mineral resource increased by 38% to 62 million tonnes grading 0.99 g/t Au gold for 1.98 million ounces of gold and the inferred mineral resource increased by 26% to 46 million tonnes grading 1.00 g/t Au for 1.46 million ounces of gold (at a cut-off grade of 0.5 g/t Au).

The resource increase was due to the expansion of the Dorado West Zone deposit as a result of Andina's continuing program of infill drilling and extensional drilling along strike to the northeast. The West Zone indicated resource increased 79% to 39 million tonnes grading 0.98 g/t Au for 1.22 million ounces of gold while the inferred resource increased 42% to 31 million tonnes grading 1.05 g/t Au for 1.02 million ounces of gold. The interim resource estimate incorporates approximately 13,000 metres of drill results from the planned 40,000 metre program, in addition to drill data from Andina's previous drilling campaigns and historical drill data.

The fieldwork associated with the Phase III 2006-2007 program was completed in May 2007 before Chile's winter season and a new resource estimate is anticipated in the third quarter of 2007. Contingent on the results from the current program, a Phase IV (2007-2008) exploration program will be planned to further outline the gold resources of the Volcan property.

More information on the Volcan property is available on Andina's web site (www.andinaminerals.com).

1.2 Other Gold Projects

While Andina is currently focused on increasing the resource base on its Volcan property, it is committed to establishing the potential of its entire portfolio of Chilean properties.

Anocarire property - Exploration activities in 2005 at the Anocarire property, located 120 kilometres east of Arica, outlined a large steam-heated alteration system, with characteristics similar to alteration systems associated with major gold deposits in the Andes. The property overlies a prominent collapsed stratovolcano approximately six kilometres in diameter. Andina completed 2,500 metres of bulldozer trenching and collected 268 channel samples across a portion of the alteration system. Results showed widespread anomalous mercury values and gold values ranged between 10 and 100 ppb – these values are typical for steam-heated (acid-leached) alteration zones.

In the third quarter of 2006, Andina conducted a diamond drilling program on the Anocarire property to determine the nature of the geological environment underlying the large alteration system. 403 metres were drilled in two diamond drill holes. Drill hole DAN-01, drilled to a depth of 286 metres, returned elevated gold values averaging 0.06 g/t Au over the bottom 106 metres of the drill hole along with elevated barium and mercury values. Drill hole DAN-02, was lost at a depth of 117 metres as a result of poor ground conditions; however, anomalous gold values were obtained throughout the drill hole with maximum values up to 0.1 g/t Au. The presence of elevated gold, barium and mercury assay results associated with a high sulphidation-type alteration system is encouraging as such systems classically overlie large high sulphidation systems elsewhere in the Chilean Andes. Andina is reviewing plans for further exploration activities on the property.

Encrucijada property – This property has been subject to geological, geochemical and geophysical surveys in the past. Surface trenching and a limited reverse circulation drilling programs have confirmed the presence of epithermal gold mineralization at Encrucijada. Andina undertook a limited exploration program on the Encrucijada property in 2005 and is reviewing plans for further work.

Pampa Buenos Aires property - On August 28, 2006, Andina signed a letter of intent to enter into an option to purchase agreement with Mena Resources Inc. (“Mena”) whereby Mena may acquire a 50% interest in Andina's interest in the Pampa Buenos Aires property. Upon signing the definitive agreement, Mena will undertake to reimburse Andina for 2006 tax payments up to \$45,000 and undertake exploration expenditures of \$250,000 prior to August 1, 2007. Upon completion of its obligations, and prior to August 1, 2007, Mena may earn a 50% interest in the Pampa Buenos Aires property by issuing 300,000 common shares of Mena to Andina. Subsequent to entering into the letter of intent Mena has agreed to be acquired by Resoro Mining Ltd. in a transaction scheduled to close in the second quarter of 2007. Closing of this transaction will necessitate amendments to the option agreement with respect to the issue of Mena common shares. By allowing Mena to earn an interest in the Pampa Buenos Aires property, Andina can

expedite exploration work on this project while Andina focuses its resources on its Volcan property.

Valeriano property – Early in 2007 Andina entered into an option agreement to acquire the 3,000 hectare Valeriano Project located 120 kilometres east of Vallenar and 30 kilometres north of Barrick Gold’s Pascua-Lama Project.

Since the early 1980’s, the Valeriano Project has been the focus of a number of exploration programs by senior mining companies. Between 1996 and 1999, Barrick Gold was engaged in an exploration project on the property which included 12,600 metres of drilling. Andina believes the combined results from the previous exploration campaigns are sufficient to warrant further exploration.

The target of the previous exploration programs was a series of alteration systems cutting Palaeozoic to Triassic volcanics and Tertiary volcanics and intrusives which underlie the Valeriano Property. A number of geochemical anomalies associated with alteration systems, possibly related to Maricunga-style gold porphyry systems, remain untested and will be the initial focus of Andina’s exploration activities at Valeriano.

Andina can earn a 100% interest in the Valeriano Project by issuing the vendor 350,000 Andina common shares by July 8, 2008 and a further 650,000 common shares by July 8, 2009. There are no minimum exploration expenditures. Upon the signing of the option agreement, a cash payment of US\$100,000 was made to the vendor.

Quitovac property - The Quitovac property is located in the Sonora area of Mexico. On December 5, 2003, Andina signed an option agreement with Copper Ridge Explorations Inc. and Cuesta del Cobra S.A. de C.V. (“Copper Ridge”) which granted Copper Ridge the option to acquire a 55% interest in the Quitovac property during the five-year option period and thereafter up to a 75% interest. On review of the carrying value of the Quitovac property at December 31, 2005, and based on a letter of intent with Copper Ridge dated January 9, 2006 with respect to the sale of the Quitovac property to Copper Ridge, Andina wrote down the carrying value of the property to its estimated fair value of \$95,000.

1.3 Property Expenditures and Commitments

The following table summarizes expenditures on Andina’s mineral properties in 2006:

Project	Balance December 31, 2006	Option payments and acquisition costs	Exploration costs	Balance March 31, 2007
Anocarire	\$ 639,791	\$ 14,213	\$ 3,564	\$ 657,568
Encrucijada	372,086	107,106	5,139	484,331
Pampa Buenos Aires				
(i)	265,481	7,106	35,695	308,282
Volcan	10,247,241	14,213	4,961,147	15,222,601
Valeriano (ii)	-	114,212	2,751	116,963
	<u>11,524,599</u>	<u>256,850</u>	<u>5,008,296</u>	<u>16,789,745</u>
Quitovac (iii)	95,000	-	-	95,000
	<u>\$ 11,619,599</u>	<u>\$ 256,850</u>	<u>\$ 5,008,296</u>	<u>\$ 16,884,745</u>

During the three months ended March 31, 2007, Andina incurred \$5,265,146 (2006 - \$1,941,750) in expenditures on these properties focused mainly on an expanded exploration program on the Volcan property. These expenditures included \$5,008,296 in capitalized exploration costs (2006 - \$1,908,426) and \$256,850 in option payments and acquisition costs (2006 - \$33,324).

Of the \$5,008,296 in 2007 exploration expenditures on the Chilean properties \$2,507,573 was incurred on drilling, \$334,812 was spent on trenching, \$605,943 was paid to exploration staff in Chile and \$1,559,968 was spent on other activities. 99% of the exploration costs were incurred on the Volcan property as Andina focused its exploration activities on its most prospective property. As a result, limited work was undertaken on the Anocarire, Encrucijada, Pampa Buenos Aires and Valeriano properties.

The remaining mineral property option payments include the following:

Property	2007	2008	Total
Anocarire	\$ 390,000	\$ 3,000,000	\$ 3,390,000
Encrucijada	400,000	-	400,000
Volcan	5,000,000	5,500,000	10,500,000
	<u>\$ 5,790,000</u>	<u>\$ 8,500,000</u>	<u>\$ 14,290,000</u>

Subsequent to March 31, 2007 Andina made the 2007 Volcan cash payment of \$5 million. The \$5.5 million 2008 Volcan payment can be made in cash or Andina common shares at Andina's option.

2. Outlook

Andina is completing its current exploration program on the Volcan property in the second quarter of 2007 as the Chilean winter season begins and exploration activities are curtailed. Andina will prepare a new mineral resource estimate in the third quarter of 2007 - this resource

estimate is expected to once again significantly expand the gold resources at the Volcan property. Based on these results, Andina anticipates that it will prioritize its exploration activities in 2007-2008 to ensure it is able to increase its gold resources as rapidly as possible with the capital available to it. With a significant gold resource presently outlined and considering the exploration potential of the Volcan property, metallurgical testing is becoming a priority. Testing is expected to commence shortly and preliminary metallurgical results are expected to be available during the fourth quarter of 2007.

Andina continues to review its exploration plans for its other properties.

3. Quarterly Financial Information

	Quarter Ended Jun. 30 2006 (Unaudited)	Quarter Ended Sep. 30 2006 (Unaudited)	Quarter Ended Dec. 31 2006 (Unaudited)	Quarter Ended Dec. 31 2006 (Unaudited)
<i>Operations</i>				
Expenses	\$(306,212)	\$23,299	\$757,545	\$163,150
Stock-based compensation	322,049	124,028	269,882	152,062
Mineral properties written off	784	674,995	55,106	-
Loss	\$16,621	\$822,322	\$1,082,533	\$11,088
Loss per share	\$ nil	\$0.02	\$0.02	\$ nil
	Jun. 30, 2006	Sep. 30, 2006	Dec. 31, 2006	Dec. 31, 2006
<i>Balance Sheet</i>				
Working capital	\$15,649,549	\$14,874,464	\$15,619,969	\$30,279,402
Mineral properties	8,173,554	8,680,432	11,619,599	16,884,745
Future income tax and other	83,423	84,979	118,488	101,297
	\$23,906,526	\$23,639,875	\$27,358,056	\$47,265,444
Capital stock	\$22,564,572	\$23,073,561	\$28,179,252	\$43,818,985
Warrants	3,619,716	3,542,370	2,973,561	7,107,572
Contributed surplus	828,359	952,387	1,216,219	1,362,951
Deficit	(3,106,121)	(3,928,443)	(5,010,976)	(5,022,064)
	\$23,906,526	\$23,639,875	\$27,358,056	\$47,265,444

	Quarter Ended Jun. 30 2005 (Unaudited)	Quarter Ended Sep. 30 2005 (Unaudited)	Quarter Ended Dec. 31 2005 (Unaudited)	Quarter Ended Mar. 31 2006 (Unaudited)
Operations				
Expenses	\$191,333	\$(50,789)	\$(2,285)	\$144,490
Stock-based compensation	61,114	82,752	63,713	66,852
Mineral properties written off	623,705	24,830	1,897,787	55,102
Future income tax recovery	-	-	(622,179)	-
Loss	\$876,152	\$56,793	\$1,337,036	\$266,444
Loss per share	\$0.03	\$ nil	\$0.06	\$0.01
	Jun. 30, 2005	Sep. 30, 2005	Dec. 31, 2005	Mar. 31, 2006
Balance Sheet				
Working capital	\$5,102,010	\$4,811,846	\$2,850,371	\$1,699,745
Mineral properties	3,643,738	3,960,716	3,939,300	5,825,948
Future income tax and other	(608,613)	(609,468)	100,100	95,396
	\$8,137,135	\$8,163,094	\$6,889,771	\$7,621,089
Capital stock	\$7,537,840	\$7,537,840	\$7,537,840	\$8,806,235
Warrants	1,735,529	1,735,529	1,735,529	1,398,044
Contributed surplus	292,993	375,745	439,458	506,310
Deficit	(1,429,227)	(1,486,020)	(2,823,056)	(3,089,500)
	\$8,137,135	\$8,163,094	\$6,889,771	\$7,621,089

Generally, the quarter to quarter fluctuations in losses are attributable to the following:

- Expenses: expenses are relatively consistent and changes from quarter to quarter are related to the amount of interest income earned on cash balances and the effects of foreign exchange gains or losses.
- Stock based compensation: these balances are affected by the timing and size of stock option grants as amounts are expensed 25% on the date of grant and 75% over the eighteen month vesting period for the options.
- Mineral properties written off: balances are generally written off when a decision is made not to proceed with exploration on a property and, as such, these expenses fluctuate widely from quarter to quarter.

4. Three months ended March 31, 2007

Andina's operations during the three months ended March 31, 2007 resulted in a loss of \$11,088 (2006 - \$266,444) or \$nil per share (2006 - \$0.01 per share).

Professional fees, consulting, office, salaries, travel and general expenses were \$304,525 (2006 - \$149,442). These expenditures were, as expected, higher than in the prior year due to higher activity levels in 2007. In particular, Andina incurred \$91,038 more in payroll expenses due to additional staff and the timing of bonuses paid in 2007. Foreign exchange gains were \$301,142 (2006 – loss of \$17,267) as the United States dollar depreciated during the period. Interest income was \$154,452 (2006 - \$15,074) due to higher cash balances on completion of the January 2007 private placement. Stock-based compensation was \$152,062 (2006 - \$66,852) – this was higher than in 2006 due to the issuance of 1,716,000 stock options in the second quarter of 2006.

Property costs related to the Quitovac property of \$55,102 were paid and written off in the first quarter of 2006.

5. Liquidity and Capital Resources

Andina is wholly dependent on equity financing to complete the development of its mineral properties and meet its obligations under various mineral property option agreements. Andina has not generated any revenue from operations and does not expect to generate any such revenue in its current or next fiscal year.

As at March 31, 2007, Andina had working capital of \$30,279,402 (December 31, 2006 – \$15,619,969) including \$30,516,392 (December 31, 2006 - \$16,651,803) in cash. On February 9, 2007 Andina completed a CDN\$24 million financing with a syndicate of underwriters under which the underwriters bought on a private placement, bought deal basis, 8,000,000 units at a price of CDN\$3.00 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of CDN\$4.00 until August 9, 2009. The underwriters received a 6% cash commission and broker warrants which entitle the underwriters to purchase up to 240,000 units at a price of CDN\$3.00 per unit until August 9, 2009. Each unit consists of one common share and one-half of one warrant.

The funds from this financing combined with \$16.7 million in cash, cash equivalents and marketable securities at December 31, 2006 were used to make the \$5 million 2007 option payment on the Volcan property and complete the 2006/2007 exploration program on the Volcan property. Andina will also be able to carry out another series of significant exploration programs on the Volcan property through the 2008-2009 drilling season. The main goal of these exploration programs will be to continue increasing the size of the Volcan gold resource which presently stands at an indicated mineral resource of 62 million tonnes grading 0.99 g/t Au gold for 1.98 million ounces of gold and an inferred mineral resource of 46 million tonnes grading 1.00 g/t Au for 1.46 million ounces of gold (at a cut-off grade of 0.5 g/t Au).

Andina had no off balance sheet arrangements as at March 31, 2007.

6. Critical Accounting Estimates

Andina's significant accounting policies are summarized in note 1 and note 2 to the audited consolidated financial statements for the year ended December 31, 2006. These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, the Company is in the development stage and is subject to risks and challenges similar to companies in a comparable stage of development (see Section 8.5). As a result of these circumstances, there is substantial doubt as to the appropriateness of the going concern presumption. There is no assurance that the Company's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material. The policies described below, and estimates

related to them, have the most significant effect in preparation and presentation of Andina's consolidated financial statements.

6.1 Mineral Properties

The recoverability of the amounts shown for mineral properties and related deferred exploration expenditures is dependent on the existence of economically recoverable reserves, Andina's ability to obtain financing to complete the development of such reserves and meet its obligations under various agreements and the success of future operations or dispositions. Changes in future conditions could require material write-downs of the carrying amounts of the mineral properties.

Andina considers its exploration costs to have the characteristics of property, plant and equipment. As such, Andina defers all exploration costs, including acquisition costs, field exploration and field supervisory costs relating to specific properties until those properties are brought into production, at which time, they will be amortized on a unit-of-production basis based on proven and probable reserves or until the properties are abandoned, sold or considered to be impaired in value, at which time, an appropriate charge will be made. Andina reviews the carrying values of its mineral properties on a regular basis by reference to project economics including the timing of the exploration and development work and the work programs and exploration results experienced by Andina and others. When the carrying value of a property exceeds its estimated net undiscounted future cash flows, a provision is made for the decline in value and charged to operations.

6.2 Warrants

Andina accounts for warrants using the fair value method. Under this method, the value of warrants is measured at fair value at the grant date using the Black-Scholes valuation model and recorded as share capital when the warrants are exercised.

6.3 Stock-based Compensation

Andina has a stock-based compensation plan. Andina accounts for stock options using the fair value method. Under this method, compensation expense for stock options granted is measured at fair value at the grant date using the Black-Scholes valuation model and recognized over the vesting period of the options granted.

7. Outstanding Share Data

	Outstanding Number of Shares
Outstanding common shares – December 31, 2005	25,740,963
April 12, 2006 private placement	16,000,000
Exercise of warrants - 2004 private placement	8,708,315
Exercise of broker warrants - 2004 private placement	1,583,333
Exercise of warrants – 2006 private placement	332,800
Exercise of broker warrants - 2006 private placement	138,600
Exercise of stock options	<u>23,500</u>
Common shares outstanding – December 31, 2006	52,527,511
January 17, 2007 private placement	8,000,000
Exercise of warrants - 2006 private placement	515,000
Exercise of stock options	<u>19,000</u>
Common shares outstanding – March 31, 2007	61,061,511
Exercise of warrants - 2006 private placement	25,000
Exercise of stock options	<u>100,000</u>
Common shares outstanding – May 28, 2007	61,186,511
Unexercised warrants – 2006 private placement	7,196,500
Unexercised broker warrants – 2006 private placement	821,400
Unexercised warrants – 2007 private placement	4,000,000
Unexercised broker warrants – 2007 private placement	240,000
Unexercised stock options	<u>3,928,000</u>
Fully diluted common shares outstanding – May 28, 2007	<u>77,372,411</u>

7.1 Common and Preferred Shares

Andina has an authorized share capital consisting of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. No preferred shares have been issued.

7.2 Warrants

2006 Brokered Private Placement

Each of the warrants issued in connection with the 2006 private placement financing of April 12, 2006 entitles the holder to purchase one common share at a price of CDN\$1.50 until April 11, 2008. Each of the broker warrants entitles the agent to purchase a unit at a price of CDN\$1.10 per unit until April 11, 2008. Each unit consists of one common share and one-half of one warrant.

2007 Bought Deal Financing

Each of the warrants issued in connection with the 2007 Andina bought deal private placement financing of January 17, 2007 entitles the holder to purchase one common share at a price of

CDN\$4.00 until August 9, 2009. Each of the broker warrants entitles the underwriter to purchase a unit at a price of CDN\$3.00 per unit until August 9, 2009. Each unit consists of one common share and one-half of one warrant.

7.3 Stock Options

Andina has a stock option plan under which stock options may be granted to the Andina's directors, senior officers, employees, consultants and consultant companies. The stock option plan: (i) provides that the number of common shares reserved for issuance, within a one year period, to any one optionee, shall not exceed 5% of the outstanding common shares; (ii) provides the maximum number of common shares reserved for issuance pursuant to options granted may not exceed 10% of the issued common shares; (iii) generally provides for a maximum vesting period of 18 months; and (iv) contains other provisions to ensure the stock option plan is compliant with stock exchange regulations.

During the three months ended March 31, 2006 Andina did not issue any options, 19,000 options were exercised and no options expired or were cancelled. The following options were outstanding at March 31, 2007:

Issue Date	Options Outstanding	Exercise Price (CDN\$)	Expiry Date
February 28, 2003	72,500	\$1.50	February 28, 2008
December 22, 2003	75,000	\$4.50	December 22, 2008
January 6, 2005	1,485,000	\$0.70	January 6, 2010
March 4, 2005	40,000	\$0.70	March 4, 2010
April 21, 2005	73,000	\$0.74	April 21, 2010
August 24, 2005	100,000	\$0.70	August 24, 2010
September 27, 2005	466,500	\$0.70	September 27, 2010
April 18, 2006	1,566,000	\$1.35	April 18, 2011
August 25, 2006	50,000	\$1.60	August 25, 2011
December 5, 2006	100,000	\$2.74	December 5, 2011
	<u>4,028,000</u>		

8. Other Information

8.1 Contractual Commitments

Andina has no contractual commitments, other than leases on offices and office equipment entered into in the ordinary course of business. All mineral property agreement commitments are at the option of Andina and Andina can terminate the agreements prior to being required to make payments on the properties. A summary of these commitments is included above in Section 1.3.

8.2 Related Party Transactions

The option on the Anocarire property was acquired from vendors which included SBX Asesorias Inversiones Ltda. ("SBX"), a company that is 51% owned by a shareholder of the Company.

During the three months ended March 31, 2007 the Company paid a total of \$45,000 (2006 - \$18,325) to SBX for geological and administrative services. As well, 50% of the \$35,000 2006 property payment on the Anocarire property was made to SBX.

These transactions have been recorded at the exchange amount, which is the consideration paid as established and agreed to by the related parties.

8.3 *Changes in accounting standards*

In January 2005, the CICA issued new standards relating to financial instruments. Section 3855, Financial Instruments – Recognition and Measurement, prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and at what amount – sometimes using fair value; other times using cost-based measures. It also specifies how financial instruments gains and losses are to be presented. Section 3865, Hedges, is applicable whenever an enterprise chooses to designate a hedging relationship for accounting purposes. It expands on AcG No. 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. Section 1530, Comprehensive Income, introduces new rules for the reporting and display of comprehensive income. Comprehensive Income is the change in equity (net assets) of an enterprise during a reporting period from transaction and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distribution to owners.

The Company has evaluated the impact of these new standards on its consolidated financial statements and determined that no adjustments are currently required.

8.4 *Disclosure Control and Procedures*

Andina's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining Andina's disclosure controls and procedures. Access to material information is facilitated by the small size of Andina's senior management team. The CEO and CFO, after evaluating the effectiveness of the Andina's disclosure controls and procedures as of March 31, 2007, have concluded that Andina's disclosure controls and procedures were adequate and effective to ensure that material information relating to Andina and its subsidiaries would have been known to them.

Further, Andina maintains and is reviewing, a set of internal controls over financial reporting which have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparing of financial statements in accordance with Canadian GAAP.

8.5 *Risk Factors*

Andina is in the development stage and is subject to the risks and challenges similar to other companies in a comparable stage of development. As in prior periods, the risks include, but are not limited to, limited operating history, speculative nature of mineral exploration and development activities, operating hazards and risks, mining risks and insurance, no proven reserves, foreign operations, environmental and other regulatory requirements, competition, stage

of development, fluctuations in commodity prices, currency risk, conflicts of interest, reliance on key individuals and enforcement of civil liabilities. For further information on these risk factors refer to the management's discussion and analysis for the year ended December 31, 2006.

8.6 *Forward Looking Statements*

This report may contain forward-looking statements, including predictions, projections and forecasts. Forward-looking statements include, but are not limited to, statements with respect to exploration results, the future price of gold, the estimation of mineral reserves and resources, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, costs of production, anticipated budgets and exploration expenditures, capital expenditures, costs and timing of the development of new deposits, the success of exploration activities generally, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of exploration and mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of any pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the actual results of current exploration activities; actual results and interpretation of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold, silver and copper; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration, development or construction activities, as well as those factors disclosed in the Andina's publicly filed documents. Although Andina has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.