

Consolidated Financial Statements of
ANDINA MINERALS INC.

(An Exploration Stage Company)

For The Three Months Ended

March 31, 2009

(in US \$)

(Unaudited)

ANDINA MINERALS INC.

(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

(in US \$)

As at	March 31, 2009	December 31, 2008
	<i>(Unaudited)</i>	<i>(Restated - Note 2)</i>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 12,692,179	\$ 15,809,283
Marketable securities <i>(note 3)</i>	124,866	150,859
Accounts receivable and prepaid expenses	65,213	268,185
	12,882,258	16,228,327
Mineral Properties <i>(notes 4 and 5)</i>	52,573,617	49,833,044
Property, Plant and Equipment <i>(note 6)</i>	15,770	17,072
Intangible Assets <i>(notes 2 and 7)</i>	26,582,786	26,582,786
	\$ 92,054,431	\$ 92,661,229
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 885,535	\$ 703,934
SHAREHOLDERS' EQUITY		
Share Capital <i>(note 8(a))</i>	94,988,840	94,479,486
Warrants <i>(note 8(b))</i>	3,929,021	3,929,021
Contributed Surplus <i>(note 8(c))</i>	3,592,745	3,330,110
Deficit	(11,341,710)	(9,781,322)
	91,168,896	91,957,295
	\$ 92,054,431	\$ 92,661,229

Going Concern *(note 1)***Subsequent Event *(note 11)***

See accompanying notes to financial statements

ANDINA MINERALS INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in US \$)

(Unaudited)

For the three months ended	March 31, 2009	March 31, 2008	Cumulative Since Inception
Expenses			
Salaries, benefits and director fees	\$ 653,194	\$ 163,212	\$ 2,368,861
Professional fees	63,722	68,671	799,044
Travel	61,139	34,421	416,734
Regulatory and shareholder information	56,801	61,464	630,534
Consulting fees	45,088	11,986	563,087
Office	33,388	41,884	476,085
Rent	27,243	25,217	250,847
Unrealized loss on marketable securities held for trading (note 3)	25,993	-	131,728
Insurance	1,993	11,042	121,534
Amortization	1,303	1,042	61,464
Foreign exchange loss	289,925	367,762	150,479
Stock-based compensation (notes 8(c) and 10)	320,343	211,440	3,206,438
Mineral properties written off	-	-	4,991,556
	1,580,132	998,141	14,168,391
Interest income	19,744	173,790	2,204,502
Loss before income taxes	(1,560,388)	(824,351)	(11,963,889)
Future income tax recovery	-	-	622,179
Loss and comprehensive loss for the period	\$ (1,560,388)	\$ (824,351)	\$ (11,341,710)
Basic loss per share	\$ (0.02)	\$ (0.01)	
Fully diluted loss per share	\$ (0.02)	\$ (0.01)	
Weighted average number of shares outstanding during the year			
Basic	79,779,791	65,562,544	
Fully diluted	79,779,791	65,562,544	

Fully diluted weighted average common shares outstanding during the three months ended March 31, 2008 and 2009 are not reflective of the outstanding stock options and warrants as their exercise would be anti-dilutive in the loss per share calculation.

See accompanying notes to financial statements

ANDINA MINERALS INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF DEFICIT

(in US \$)

(Unaudited)

For the three months ended	March 31, 2009	March 31, 2008
Deficit, beginning of period	\$ (9,781,322)	\$ (3,225,325)
Loss for the period	(1,560,388)	(824,351)
Deficit, end of period	\$ (11,341,710)	\$ (4,049,676)

See accompanying notes to financial statements

ANDINA MINERALS INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in US \$)

(Unaudited)

For the three months ended	March 31, 2009	March 31, 2008	Cumulative Since Inception
Cash provided by (used in)			
Operations			
Loss for the period	\$ (1,560,388)	\$ (824,351)	\$ (11,341,710)
Items not involving cash:			
Amortization	1,303	1,042	61,464
Unrealized foreign exchange loss	283,759	443,673	283,759
Stock-based compensation (notes 8(c) and 10)	320,343	211,440	3,206,438
Unrealized loss on marketable securities held for trading (note 3)	25,993	-	131,728
Mineral properties written off	-	-	4,991,556
Future income tax recovery	-	-	(622,179)
Change in non-cash working capital:			
Accounts receivable and prepaid expenses	202,972	(24,222)	(24,441)
Accounts payable and accrued liabilities	(13,795)	42,100	610,478
	(739,813)	(150,318)	(2,702,907)
Investing			
Mineral properties (note 4)	(2,448,822)	(5,554,026)	(40,068,003)
Option payments received and acquisition costs (note 4)	-	-	(9,006,508)
Property, plant and equipment	-	-	(216,506)
Cash acquired on reverse takeover (note 1)	-	-	271,547
	(2,448,822)	(5,554,026)	(49,019,470)
Financing			
Issuance of common shares and warrants for cash	-	-	41,072,217
Exercise of warrants (note 8(b))	-	1,567,058	22,027,516
Exercise of options (note 8(c))	355,290	462,545	1,454,228
Loans	-	-	144,354
	355,290	2,029,603	64,698,315
Change in cash and cash equivalents	(2,833,345)	(3,674,741)	12,975,938
Unrealized foreign exchange loss	(283,759)	(443,673)	(283,759)
Cash and cash equivalents, beginning of period	15,809,283	25,189,491	-
Cash and cash equivalents, end of period	\$ 12,692,179	\$ 21,071,077	\$ 12,692,179

Supplementary Cash Flow Information (note 10)

See accompanying notes to financial statements

ANDINA MINERALS INC.

(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US \$)

(Unaudited)

For the three months ended March 31, 2009

1. NATURE OF OPERATIONS AND GOING CONCERN BASIS OF ACCOUNTING

Andina Minerals Inc. (the "Company") was incorporated on January 23, 2001 under the Business Corporations Act (Alberta) as CastleRock Capital Inc. Effective December 31, 2004 the Company acquired all the outstanding shares of Andina Minerals Inc. ("Holdings") in a reverse takeover transaction. In conjunction with the acquisition of Holdings, the Company changed its name to Andina Minerals Inc. and Holdings changed its name to Andina Holdings Inc.

The Company's activities are directed toward exploring mineral properties mainly in Chile. To date the Company has not earned any revenue and is considered to be in the exploration stage.

These financial statements have been prepared using Canadian generally accepted accounting principles ("Canadian GAAP") 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 exploration stage and is subject to risks and challenges similar to companies in a comparable stage of development. These risks include, but are not limited to, the ability of the Company to secure adequate capital in view of exploration, development and operational risks inherent in the mining industry and global economic and gold price volatility. As a result of these circumstances, there is significant 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 accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with Canadian GAAP. These unaudited interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2008. These unaudited interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in the Company's most recent annual consolidated financial statements, except as described in Note 2.

2. NEW ACCOUNTING POLICIES

The Company adopted the following Canadian Institute of Chartered Accountants ("CICA") standard commencing January 1, 2009:

Section 3064 - Goodwill and Intangible Assets

This new Section replaces Section 3062, Goodwill and Other Intangible Assets and provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new Section specifically excludes mining activities related to prospecting, acquisition of mineral rights, exploration, drilling and mineral development from being considered as intangible assets, as existing Section 3061, Property, Plant and Equipment, contains standards for measurement, presentation and disclosure of mining properties. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008 with retroactive application.

The Company has adopted this accounting policy on a retroactive basis and has identified the water rights for the Volcan property, having a value of \$26,582,786, as an intangible asset with an indefinite useful life. As a result, the water rights assigned value of \$26,582,786 have been reclassified from Mineral Properties to Intangible Assets as at December 31, 2008, having no impact on the Company's consolidated statement of operations (*notes 4 and 7*).

ANDINA MINERALS INC.

(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US \$)

(Unaudited)

For the three months ended March 31, 2009

3. MARKETABLE SECURITIES

	March 31, 2009		December 31, 2008	
	Fair Value	Cost	Fair Value	Cost
Marketable securities - held for trading (note 4)	\$ 124,866	\$ 256,594	\$ 150,859	\$ 256,594

4. MINERAL PROPERTIES

All of the Company's mineral properties, except the Quitovac property, are located in Chile.

During 2008, the Company acquired water rights for the Volcan property by issuing a private Chilean company 6,700,000 common shares valued at \$26,582,786. These water rights have been reclassified as an Intangible Asset with an indefinite useful life under the new CICA Section 3064, Goodwill and Intangible Assets (notes 2 and 7).

During 2008, the Company entered into an agreement with Hochschild Mining plc, ("Hochschild") whereby Hochschild can earn up to a 60% interest in the Encrucijada property. Hochschild paid the Company \$500,000 upon signing and can earn a 51% interest in the Encrucijada property by spending \$3,000,000 on exploration over the 36 months ending January 31, 2011. Upon completion of the exploration expenditures, the two companies may form a partnership to continue exploring the property with Hochschild owning a 51% interest and the Company having a 49% interest. Hochschild may increase its interest in the partnership to 60% by funding the first \$3,500,000 towards a feasibility study within 36 months of the formation of the partnership. Andina also retains a net smelter return royalty from Hochschild on the Encrucijada property, which varies based on the gold price.

Prior to 2008, the Company signed an agreement under which certain third parties could earn a 50% interest in the Pampa Buenos Aires ("PBA") property by completing exploration expenditures of \$250,000 on the PBA property and issuing common shares to the Company. During 2008, these rights were assigned to Iron Creek Capital Corp. ("Iron Creek"). In July 2008, the Company agreed to amend the terms of the agreement to recognize that Iron Creek had spent the required \$250,000 on exploration expenditures on the PBA property and called for a reimbursement of \$197,835 in cash for the Company's previous purchase of the various contractual rights owned by the former landowner, and the issuance of 525,000 Iron Creek common shares to the Company. At the time of receipt, the 525,000 shares of Iron Creek had a fair market value of \$256,594 and are recognized in marketable securities.

During 2008, all costs associated with the Anocarire, Valeriano and Quitovac properties were written off as the Company determined not to proceed with further exploration on these mineral properties. The Anocarire and Valeriano properties' option agreements were terminated as a result.

Property	Balance December 31, 2008 <i>(Restated - Note 2(a))</i>	Option payments and acquisition costs	Property payments received	Exploration costs	Costs written off	Balance March 31, 2009
Encrucijada	\$ 743,248	\$ -	\$ -	\$ 6,089	\$ -	\$ 749,337
PBA	1,437,878	-	-	4,674	-	1,442,552
Volcan	47,651,918	-	-	2,729,810	-	50,381,728
	\$ 49,833,044	\$ -	\$ -	\$ 2,740,573	\$ -	\$ 52,573,617

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US \$)

(Unaudited)

For the three months ended March 31, 2009

4. MINERAL PROPERTIES (continued)

Deferred exploration costs on the Chilean minerals properties are comprised as follows:

Deferred Exploration Costs For The Three Months Ended March 31, 2009								
Property	Drilling	Exploration staff	Trenching	Value added tax	Assaying	Field Costs	Other	Total
Encrucijada	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,089	\$ 6,089
PBA	-	-	-	-	-	-	4,674	4,674
Volcan	1,068,317	514,460	88,409	320,880	56,942	239,950	440,852	2,729,810
	\$ 1,068,317	\$ 514,460	\$ 88,409	\$ 320,880	\$ 56,942	\$ 239,950	\$ 451,615	\$ 2,740,573

5. MINERAL PROPERTY COMMITMENTS

With respect to the Volcan property, there is no payment or royalty payable on the first 2 million ounces of gold produced from the Volcan property. A payment of \$5 per ounce is due on any mined ounces of gold between 2 million and 4 million ounces. A net smelter return royalty of 1.0% is payable on production exceeding 4 million ounces of gold. See also Subsequent Events in Note 11. None of the Company's other properties have any payments or royalties payable on them.

None of the Company's properties have exploration expenditure commitments.

6. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2009		
	Cost	Accumulated Amortization	Net
Office equipment	\$ 32,924	\$ 17,154	\$ 15,770

	December 31, 2008		
	Cost	Accumulated Amortization	Net
Exploration equipment	\$ 143,856	\$ 143,856	\$ -
Office equipment	33,829	16,757	17,072
	\$ 177,685	\$ 160,613	\$ 17,072

7. INTANGIBLE ASSETS

	March 31, 2009	December 31, 2008
	Cost and Net	Cost and Net
Water rights	\$ 26,582,786	\$ 26,582,786

During 2008, the Company acquired water rights for the Volcan property by issuing a private Chilean company 6,700,000 common shares valued at \$26,582,786. These water rights have been reclassified as an Intangible Asset with an indefinite useful life under the new CICA Section 3064, Goodwill and Intangible Assets (notes 2 and 4).

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(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US \$)

(Unaudited)

For the three months ended March 31, 2009

8. SHARE CAPITAL

(a) Common Shares

Authorized Capital - Unlimited common shares and unlimited preferred shares, issuable in series.

Issued

	Number of shares	Capital stock
Balance - December 31, 2008	79,376,907	\$ 94,479,486
Shares issued on exercise of stock options	615,000	509,354
Balance - March 31, 2009	79,991,907	\$ 94,988,840

On January 17, 2007, the Company entered into an agreement 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 for gross proceeds of CDN\$24,000,000 (\$20,470,829). This private placement financing closed on February 9, 2007. Each unit consisted of one common share and one-half of one common share purchase warrant. The underwriters received a total cash commission equal to 6.0% of the gross proceeds of the offering and broker warrants to purchase up to 240,000 units.

Each of the 4,000,000 whole warrants entitles the holder to purchase one additional common share at a price of CDN\$4.00 until August 9, 2009. Each of the 240,000 broker warrants are exercisable at a price of CDN\$3.00 per unit until August 9, 2009. Each unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of CDN\$4.00 until August 9, 2009.

As at March 31, 2009, 182,400 of the 2007 broker warrants and 3,768,700 of the 2007 warrants (including the 2007 warrants issuable on the exercise of the 2007 broker warrants) remain outstanding.

(b) Warrants

	Number of warrants	Number of broker warrants	Warrants
Balance - December 31, 2008 and March 31, 2009	3,677,500	182,400	\$ 3,929,021

(c) Contributed Surplus and Stock Options

Contributed Surplus

Balance - December 31, 2008	\$ 3,330,110
Stock-based compensation (note 10)	416,699
Exercise of stock options	(154,064)
Balance - March 31, 2009	\$ 3,592,745

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(Unaudited)

For the three months ended March 31, 2009

8. SHARE CAPITAL (continued)

(c) Contributed Surplus and Stock Options (continued)

The Company has a stock option plan under which stock options may be granted to the Company'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.

Stock Options

	Number of options	Weighted average exercise price (CDN\$)
Balance - December 31, 2008	5,550,000	\$ 1.64
Granted	1,980,000	1.38
Exercised	(615,000)	0.70
Expired or forfeited	(306,250)	1.75
Balance - March 31, 2009	6,608,750	\$ 1.64

The unamortized stock option expense related to the grant of the options listed above at March 31, 2009 was \$884,319.

During the three months ended March 31, 2009, the following stock options were issued and valued using the Black-Scholes option pricing model parameters listed below (in each case with no dividends):

Issued in 2009	Number of options	Exercise price (CDN\$)	Grant date stock price (CDN\$)	Black-Scholes Option Pricing Parameters		
				Risk-free interest rate	Expected life (years)	Volatility factor
January 5	1,000,000	\$1.08	\$1.08	1.11%	2.5	78%
February 18	200,000	\$1.80	\$1.80	1.39%	2.5	78%
February 27	500,000	\$1.70	\$1.70	1.39%	2.5	78%
March 12	250,000	\$1.52	\$1.52	1.27%	2.5	78%
March 27	30,000	\$1.75	\$1.75	1.27%	2.5	78%
	1,980,000	\$1.38				

The weighted average fair value of options granted during the period was CDN\$0.65.

ANDINA MINERALS INC.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US \$)

(Unaudited)

For the three months ended March 31, 2009

8. SHARE CAPITAL (continued)

(c) Contributed Surplus and Stock Options (continued)

A summary of the Company's stock options at March 31, 2009 is presented below:

Issue Date	Options Outstanding	Options Exercisable	Exercise Price (CDN\$)	Expiry Date
January 6, 2005	505,000	505,000	\$0.70	January 6, 2010
April 21, 2005	49,000	49,000	\$0.74	April 21, 2010
August 24, 2005	100,000	100,000	\$0.70	August 24, 2010
September 27, 2005	295,000	295,000	\$0.70	September 27, 2010
April 18, 2006	1,381,000	1,381,000	\$1.35	April 18, 2011
January 16, 2007	225,000	225,000	\$3.00	January 16, 2012
May 9, 2007	655,000	655,000	\$3.25	May 9, 2012
November 29, 2007	150,000	131,250	\$4.60	November 29, 2012
February 29, 2008	75,000	56,250	\$4.30	February 28, 2013
October 8, 2008	1,193,750	374,375	\$1.50	October 8, 2013
January 5, 2009	1,000,000	250,000	\$1.08	January 5, 2014
February 18, 2009	200,000	50,000	\$1.80	February 18, 2014
February 27, 2009	500,000	125,000	\$1.70	February 27, 2014
March 12, 2009	250,000	62,500	\$1.52	March 12, 2014
March 27, 2009	30,000	7,500	\$1.75	March 27, 2014
	6,608,750	4,266,875		

The weighted average exercise price of these options were CDN\$1.64 for options outstanding and CDN\$1.74 for options exercisable. The weighted average remaining contractual life of outstanding options is 3.38 years.

9. SEGMENTED INFORMATION

The Company has one operating segment, which is the exploration of mineral properties. The Company's principal operations are carried out in Chile. All of the investment income is earned in Canada. The Company's geographic segments are located as follows:

- the Company's mineral properties in Chile;
- the Quitovac property in Mexico (*note 4*);
- corporate office in Canada.

ANDINA MINERALS INC.

(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US \$)

(Unaudited)

For the three months ended March 31, 2009

9. SEGMENTED INFORMATION (continued)

As at and for the three months ended March 31, 2009 and 2008, segmented information is presented as follows:

2009	Chile	Mexico	Corporate	Total
Cash and cash equivalents	\$ 5,820,432	\$ -	\$ 6,871,747	\$ 12,692,179
Other current assets	30,962	-	159,117	190,079
Mineral properties, intangible assets and property, plant and equipment	79,136,848	-	35,325	79,172,173
Total assets	\$ 84,988,242	\$ -	\$ 7,066,189	\$ 92,054,431
Current liabilities	\$ 684,663	\$ -	\$ 200,872	\$ 885,535
Amortization	\$ -	\$ -	\$ (1,303)	\$ (1,303)
Interest income	-	-	19,744	19,744
Foreign exchange	30,008	-	(319,933)	(289,925)
Other expenses	-	-	(1,288,904)	(1,288,904)
Earnings (loss)	\$ 30,008	\$ -	\$ (1,590,396)	\$ (1,560,388)
Mineral property expenditures, option payments and acquisition costs	\$ 2,448,822	\$ -	\$ -	\$ 2,448,822
2008	Chile	Mexico	Corporate	Total
Cash and cash equivalents	\$ 2,263,454	\$ -	\$ 18,807,623	\$ 21,071,077
Other current assets	36,020	-	36,320	72,340
Mineral properties, intangible assets and property, plant and equipment	44,040,081	95,000	4,045	44,139,126
Total assets	\$ 46,339,555	\$ 95,000	\$ 18,847,988	\$ 65,282,543
Current liabilities	\$ 3,775,774	\$ -	\$ 199,237	\$ 3,975,011
Amortization	\$ -	\$ -	\$ (1,042)	\$ (1,042)
Interest income	-	-	173,790	173,790
Foreign exchange	136,959	-	(504,721)	(367,762)
Other expenses	-	-	(629,337)	(629,337)
Earnings (loss)	\$ 136,959	\$ -	\$ (961,310)	\$ (824,351)
Mineral property expenditures, option payments and acquisition costs	\$ 5,554,026	\$ -	\$ -	\$ 5,554,026

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Unaudited)

For the three months ended March 31, 2009

10. SUPPLEMENTARY CASH FLOW INFORMATION

Supplementary information with respect to the consolidated statements of cash flows is as follows:

	March 31, 2009	March 31, 2008
Interest received during the year	\$ 19,744	\$ 173,790

Non-cash investing and financing activities include the following:

	March 31, 2009	March 31, 2008
Stock-based compensation included in mineral properties	\$ 96,356	\$ 85,566
Amortization included in mineral properties	\$ -	\$ 14,241

Cash and cash equivalents consist of the following:

	March 31, 2009	March 31, 2008
Cash	\$ 12,692,179	\$ 14,193,639
Cash equivalents	-	6,877,438
	\$ 12,692,179	\$ 21,071,077

11. SUBSEQUENT EVENT

On May 20, 2009, the Company acquired land surrounding its Volcan property in Region III, Chile, from Barrick Gold Corporation through the issuance of 2,000,000 common shares valued at \$2,660,400, and a second instalment of common shares worth \$1,500,000 payable one year from closing, determined using the weighted average trading price of Andina common shares in the 20 trading days leading up to and ending on the trading day immediately prior to the one-year anniversary from closing, and a net smelter return royalty of 1.5% on any metals produced from the property should they be developed.