



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009

*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 unaudited consolidated financial statements for the three and nine months ended September 30, 2009 and the annual audited consolidated financial statements for the year ended December 31, 2008. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("**GAAP**") and **all dollar amounts are in United States dollars ("US\$")**, unless otherwise noted. The date of this management's discussion and analysis ("**MD&A**") is November 13, 2009. Andina's common shares trade on the TSX Venture Exchange under the symbol "ADM" and its most recent filings, including its most recent Annual Information Form ("**AIF**"), are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be accessed through the Internet at www.sedar.com.*

*Each of the following persons is a "qualified person" as defined under the guidelines of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**") of the Canadian Securities Administrators, and has been responsible for preparing the technical report listed below, upon which certain scientific and technical information concerning the Company's mineral projects has been included, or incorporated by reference herein.*

- *Technical Report on the Volcan Gold Project, Region III, Chile and Updated Mineral Resource Estimate for the Dorado Gold Deposits, dated October 23, 2009, prepared by Reno Pressacco, M.Sc. (A), P.Geo., Richard Gowans, P.Eng. and Sam Shoemaker, B.Sc., MAusIMM, each of Micon; and*
- *Certain technical information on the Ojo de Agua area of the Volcan Gold Project, which is disclosed in the Company's annual information form for the year ended December 31, 2008 dated April 8, 2009, has been audited and confirmed by Mr. Michael Easdon, P.Geo.*

1. THIRD QUARTER AND RECENT HIGHLIGHTS

- On September 10, 2009, an independent NI 43-101 compliant resource update ("**2009 Update**") by Micon for the Dorado deposits at Volcan estimated measured and indicated mineral resources of 492.5 million tonnes at an average grade of 0.62 grams per tonne gold ("**g/t Au**") for 9.8 million ounces of contained gold and inferred resources of 36.8 million tonnes at an average grade of 0.65 g/t Au for 768,000 ounces of contained gold. This resource estimate does not encompass all gold mineralization previously identified in the Dorado deposits as it defines that portion of the resource which is potentially economic under stated parameters within an open pit mine development.
- Progress on the engineering studies in support of the Conceptual Development Plan (or "**CDP**") and Preliminary Economic Assessment (or "**PEA**") allowed the release of guidance on the extent of initial development of the stated resource. Release of the full results of the CDP and PEA is now expected in early 2010.
- Andina's cash and cash equivalents at September 30, 2009 totaled approximately \$21.6 million.
- On October 26, 2009, Andina announced the start of the October 2009 to May 2010 field season, with a planned budget of \$14.7 million, including exploration and engineering studies aimed at project development.
- On November 3, 2009, the Company announced a Canadian dollar ("**CDN\$**") \$25 million equity financing on a bought deal basis and is expected to close by or on November 24, 2009.



2. DESCRIPTION OF BUSINESS

The primary focus of Andina is mineral exploration and development in Chile.

The Company's flagship development project is the 100%-owned Volcan Gold Project, located 120 kilometres east of Copiapo, Region III, Chile. Andina has completed over 100,000 metres of drilling at Volcan and discovered three gold deposits in the Dorado area: the Dorado East, Central and West, and two gold zones in the Ojo de Agua area: Andrea and Florencia. As of September 2009, Dorado deposit resources consisted of measured and indicated mineral resources of 492.5 million tonnes at an average grade of 0.62 g/t Au for 9.8 million ounces of contained gold and inferred resources of 36.8 million tonnes at an average grade of 0.65 g/t Au for 768,000 ounces of contained gold. As of October 2008, the Ojo de Agua resource consisted of inferred resource of 18.6 million tonnes grading 0.85 g/t Au for total contained gold content of 510,000 ounces at a cut-off grade of 0.5 g/t Au.

Andina has accelerated the development planning process for the Volcan Gold Project and is progressing with a CDP and PEA, targeted for completion in early 2010. Volcan development is not expected to be complex, with a relatively low initial capital cost for a resource of this magnitude, based on initial metallurgical testing and benchmarking with similar deposits currently in operation.

In addition to Volcan, Andina has two early-stage exploration projects, the Encrucijada silver/gold property, a joint venture with Hochschild Mining plc ("**Hochschild**") and the Pampa Buenos Aires ("**PBA**") gold/silver property, a joint venture with Iron Creek Capital Corp ("**Iron Creek**").

3. SUMMARY OF PROPERTIES

Andina has acquired three mineral properties located within Chile's primary mining areas as summarized below:

Property	Target	Location	Owned
Volcan	Gold porphyry	Region III ⁽¹⁾	Owned ⁽³⁾
Encrucijada	Silver/gold epithermal veins	Region II ⁽²⁾	Owned ⁽⁴⁾
PBA	Gold/silver epithermal veins	Region II ⁽²⁾	50% Owned

(1) Maricunga District of Atacama Region of Chile.

(2) Antofagasta Region of Chile.

(3) Subject to certain royalty payments described below.

(4) Under option to another company as described below.

Andina is advancing in the initial stage of development for its Volcan Gold Project, including conceptual mine planning and economic assessment. Its Encrucijada and PBA properties remain at an early stage of exploration.

4. VOLCAN DEVELOPMENT PLANNING

Conceptual Development Plan and Preliminary Economic Assessment

Andina's strategy during this initial phase of development has been to build a core team of consultants, augmented as required by internal expertise to cost effectively advance the project. Accordingly, the Company has assembled the team and appointed the lead consultant – Micon – that is working to deliver the CDP and PEA in early 2010. The CDP and PEA will define timelines, mining methods, process, mine design and expenditures at a conceptual level. The development planning team consists of contractors and consultants that have established track records, experience in South America and have worked with



development scenarios similar to Andina's. The table below summarizes the team and key building blocks contributing to the CDP and PEA.

Area of Study	Consultant(s)	Comments
Resource	Micon	Review of geologic resource for development stage
Mine Engineering	Qpit & Micon	Mine planning and evaluation, including pit design and equipment estimation
Geotechnical	Vector Engineering	Geotechnical and hydrological characterization (pit, leach pad, waste dumps)
Metallurgy	McClelland Labs, KHD Humboldt Wedag, AMTEL & Micon	Phase II samples delivered for testing (crush size, reagent usage, power consumption)
Process	Hatch & Vector Engineering	Developing conceptual level flowsheets, plant & equipment design and costing
Environmental	BGC Engineering	Baseline monitoring and permitting strategy
Infrastructure	Various consultants	Research and identify infrastructure (power, water, road, camp)

On September 10, 2009, the Company released the 2009 Update for Volcan, including guidance on an initial development model for Volcan development based on results to date of the ongoing studies above. The potential working model sees initial Volcan exploitation around a smaller, higher grade portion of the overall potentially economic resource with the expectation of generating a robust and manageable initial project. The CDP will retain the option of expanding the project scope to include the remaining mineral resources at a later date. Initially the CDP and PEA are focusing on an analysis of the potential mining model shown in the table below.

Mine Life	11-13 years
Throughput	55-65,000 tonnes per day
Processing Method	Heap Leach
Average Grade	0.67-0.70 g/t Au
Recovery	~70%
Strip Ratio	2:1

It should be noted that the resources identified in the September 10, 2009 resource update did not encompass all previously identified Dorado area resources. There are remaining resources beyond those that have been defined as potentially economic within an open pit development under the stated parameters. The remaining resources may well prove to be potentially economic under varying parameters for open pit mining and/or under the application of a different approach to the mining technique. For example, a preliminary study by NCL Ingenieria y Construccion S.A., a Chilean mining consultant investigating bulk underground mining, suggested that up to 1 million ounces of resources at a cut-off of 0.7 g/t Au might be mineable by employing sub-level caving techniques. Management, in consultation with Micon, chose not to highlight potentially mineable underground resources in the resource update because of the paucity of exploration data below the pit shell and the likelihood that potential underground mining will be more distant in timing. As more data becomes available, management contemplates conducting trade-off studies between open pit mining and underground mining for the deeper resources in the Dorado area.



Metallurgical Testing

During Q2 2009, Andina, under the direction of Hatch, collected and sent out a total of approximately 1.25 tonnes of additional metallurgical samples from ten distinct areas, being representative of the overall resource, for the next phase of metallurgical testing. The testing is ongoing and is designed to test recovery rates at various crush sizes and gain insight into reagent usage. These samples, while being a good representative of the resource, spatially, were at the higher end of the grade ranges of the resource with grades between 0.84 and 1.94 g/t Au. For this reason, five additional samples were collected in Q3 2009, representing grade ranges from 0.4 to 0.8 g/t Au for upper and lower Dorado West and 0.6 g/t Au for Dorado East. These samples have been prepared at KHD Humboldt Wedag (“**KHD**”) and will be shipped to McLelland Labs to complement the ongoing test work initiated earlier in the year.

Additional samples of approximately 1.5 tonnes sent to KHD in Q2 2009 for further high pressure grind roll (“**HPGR**”) testing to establish optimal HPGR operating parameters are now at McLelland Labs and will undergo further metallurgical tests. On the basis of the test work in Germany, KHD will submit a report aimed at providing plant designers with data that will support operating and capital cost estimates for the process plant. While it appears that HPGR is the preferred route to obtain the optimum crush size for gold liberation, conventional crushed material is simultaneously under test to assure that a proper trade-off analysis between HPGR and conventional crushing can be completed. To date, better recoveries are obtained from HPGR crushed samples due to the higher proportion of fines generated by HPGR for a given target crush size compared to conventional crushing. Results to date are inconclusive pending the completion of testing and the final configuration of the plant is still under review.

Water Rights

In June 2008, Andina acquired water rights, having a total volume of 340 litres per second in two wells located approximately 21 kilometres from the Dorado deposits and approximately 10 kilometres east of the northern corner of the Volcan concessions. Andina has commissioned Water Management Consultants (Schlumberger) (“**WMC**”) to evaluate and assess the acquired water sources. The WMC studies are ongoing and will encompass investigations for the exploration, acquisition and definition of additional sources of water and any potential impacts of water use.

Development Outlook

As of September 30, 2009, Andina had approximately \$21.6 million in cash and cash equivalents. Volcan Gold Project development planning expenditures are expected to be \$2.0 million for fiscal 2009 as Andina progresses with the CDP and PEA. As at September 30, 2009, actual development planning expenditures totaled \$1.1 million, including \$0.6 million related to metallurgical testing and studies. Thus, anticipated development planning spending in Q4 2009 is \$0.9 million. Volcan development planning spending will be based on timing of consultant work, capital resources, permits and the potential for additional geological data.

Development-focused field work in the 2009/2010 field season, which began in October 2009 and is expected to be completed in May 2010 (“**2009/2010 Field Season**”), will include a total of approximately 33,460 metres of drilling, including geotechnical (2,500 metres), condemnation (10,000 metres) and infill (20,960 metres) drilling. A portion of this work is planned for the fourth quarter of 2009, with the remainder expected to be completed in the first half of 2010 in alignment with the Chilean summer months and optimal field conditions. On October 26, 2009, the Company announced the beginning of the 2009/2010 Field Season activities, with mobilization of heavy equipment in preparation for the arrival of two diamond drill rigs and two reverse circulation (“**RC**”) rigs. Andina has also moved its camp to a new location that will allow for growth of the camp as development ramps up and to comply with provisions of the permits granted to the company covering exploration activities. The budget for the entire 2009/2010 Field Season,



which includes exploration and development activities and studies as well as camp and other support costs, is expected to be approximately \$14.7 million.

5. EXPLORATION ACTIVITIES

5.1 Volcan Gold Project

The Volcan Gold Project is located 120 kilometres east of Copiapo in the centre of the Maricunga gold belt. Through a comprehensive multi-year exploration campaign at Volcan that began in 2005, Andina achieved its goal of increasing the resource base of the Dorado area deposit as well as discovering the Ojo de Agua area of the property.

Resources

On September 10, 2009, the Company announced the results of an independent NI 43-101 compliant mineral resource update completed by Micon for the Volcan Gold Project. The 2009 Update estimated measured and indicated mineral resources of 492.5 million tonnes at an average grade of 0.62 g/t Au for 9.8 million ounces of contained gold and inferred resources of 36.8 million tonnes at an average grade of 0.65 g/t Au for 768,000 ounces of contained gold.

The 2009 Update incorporated approximately 6,000 meters of new infill drilling completed in H1 2009 and departed from the 2008 Resource (see the NI 43-101 technical report dated September 2, 2008) by employing variable cut-off grades (roughly equivalent to a 0.3 g/t Au cut-off) supported by recent engineering results, compared with a 0.5 g/t Au cut-off used for the “highlighted” estimate in the 2008 Resource, which was selected without the benefit of engineering studies. The 2009 Update was based on the following parameters: mining costs of \$1.10 per tonne, process cost (heap leach) of \$3.00 per tonne, general & administration costs of \$0.69 per tonne, process recoveries ranging from 55-80%, recommended slope angles ranging from 48-52 degrees and a gold price of \$850/ounce. When the two resources are compared at a 0.3 g/t Au cut-off grade, measured and indicated resources increased by 4%, while the inferred resources decreased by 86%. Inferred resources decreased because there was a substantial portion of the resources that fell outside of the pit shell used to define the 2009 Update.

2009 Mineral Resource Estimate for the Volcan Gold Project (Dorado deposits)

Area	<i>Measured</i>			<i>Indicated</i>			<i>Total M&I</i>		
	Tonnes (Millions)	Grade (g/t Au)	Oz (000's)	Tonnes (Millions)	Grade (g/t Au)	Oz (000's)	Tonnes (Millions)	Grade (g/t Au)	Oz (000's)
Dorado West	173.8	0.62	3,442	288.0	0.61	5,669	461.9	0.61	9,112
Dorado Central	2.1	1.04	70	0.4	0.85	10	2.5	1.01	80
Dorado East	27.1	0.65	563	1.1	0.54	19	28.2	0.64	582
Total	203.1	0.62	4,076	289.4	0.61	5,698	492.5	0.62	9,773

Area	<i>Inferred</i>		
	Tonnes (Millions)	Grade (g/t Au)	Oz (000's)
Dorado West	36.5	0.65	764
Dorado Central	0.1	0.81	2
Dorado East	0.2	0.35	2
Total	36.8	0.65	768

1. All quantities are rounded to the appropriate number of significant figures, consequently sums may not add due to rounding.
2. Mineral resources include mill incremental material.



3. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.
4. The quantity and grade of reported Inferred Resources in this estimation are conceptual in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource. It is uncertain if further exploration will result in the upgrading of the Inferred Resources into an Indicated or Measured Mineral Resource category.
5. The cut-off grade is ~0.3 g/t Au.

In October 2008, Andina reported the completion of an initial inferred resource estimate from the Ojo de Agua area of the Volcan Gold Project, reflecting the results of the 2007/2008 exploration campaign. Andina has estimated that the two gold deposits identified to date in the Ojo de Agua area, the Andrea and Florencia deposits, host an inferred resource of 18.6 million tonnes grading 0.85 g/t Au for 510,000 ounces of gold at a 0.5 g/t Au cut-off grade.

Acquisition of Mineral Concessions

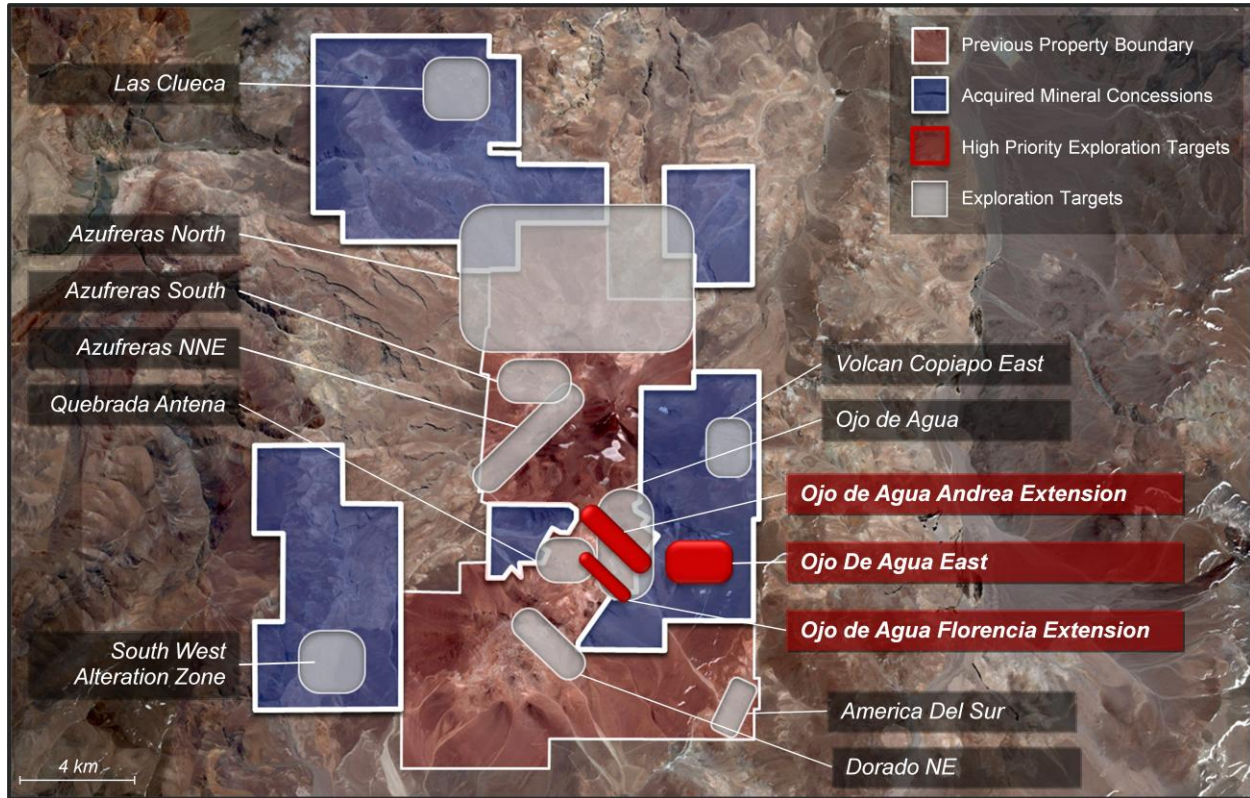
On May 20, 2009, Andina entered into an agreement with Barrick Gold Corporation (“**Barrick**”) to acquire the exploration rights to certain Barrick properties as well as a number of exploration applications surrounding Andina’s Volcan Gold Project in Chile. With this acquisition, Andina’s Maricunga land package now totals 24,840 hectares, which includes the 9,800 hectares owned prior to the agreement. Acquiring these mineral concessions enhances Andina’s ability to discover more gold resources, particularly in the Ojo de Agua East zone, and provides for greater flexibility for the development of the Company’s flagship Volcan Gold Project (see Section 4 – Volcan Development Planning). Exploration work on the Ojo de Agua East zone is underway as part of the Company’s 2009/2010 Strategic Exploration program (see below).

Strategic Exploration

As announced on October 26, 2009, Andina’s 2009/2010 Field Season will include a strategic exploration plan consisting of approximately 4,000 metres of drilling. The objective of this program is to expand the current mineral resource in ways that can meaningfully enhance the initial project development at Volcan by focusing on areas with potential for higher grade mineralization in proximity to the Dorado area. The drilling will focus on three high priority targets: Ojo de Agua Andrea extension, Ojo de Agua Florencia extension and Ojo de Agua East, the last target being on the newly acquired mineral concessions. In addition to drilling, Andina also plans to carry out surface mapping, geophysics and geochemistry in order to pinpoint targets for future drilling elsewhere on the Volcan property. Actual metres drilled and targets explored will depend on the ongoing results of the program, with flexibility to focus on more promising areas as results are received.

The 2009/2010 Field Season will also include 33,460 metres of development-focused drilling as discussed in the Development Outlook of Section 4 – Volcan Development Planning.

The map below shows exploration targets on the Volcan property and newly acquired lands, with priority targets for the 2009/2010 Field Season shown in red.



Permitting

During Q3 2009, the environmental commission confirmed extension of the Environmental Impact Declaration (Declaracion Ambiental or “DA”) permit to cover advanced exploration activities and field activities in support of development during the 2009/2010 Field Season.

5.2 Other Properties

Encrucijada property – This property has been subject to geological, geochemical and geophysical surveys in the past. Surface trenching and limited RC drilling programs have confirmed the presence of epithermal silver/gold mineralization at Encrucijada. During 2008, Andina entered into an agreement with Hochschild whereby Hochschild can earn up to a 60% interest in the Encrucijada property. Hochschild can earn a 51% interest in the Encrucijada property by paying Andina \$0.5 million upon signing (completed) and spending \$3.0 million on exploration over the following 36 months (in progress). Hochschild may then increase its interest in the partnership to 60% by funding the first \$3.5 million towards a feasibility study within the next 36 months. Andina also retains a net smelter return royalty from Hochschild on the Encrucijada property, which varies based on the gold price.

To date, Hochschild has not earned its 51% interest in the property as the \$3.0 million in exploration expenditures required under the agreement has not been completed. Hochschild continues to proceed with exploration activities on the property and is conducting a drilling program focused on several prioritized targets.



Pampa Buenos Aires property - The PBA property, located immediately south of Yamana's El Peñón silver/gold mine, hosts a number of gold/silver epithermal vein targets. The project is a joint venture with Iron Creek, with each partner having 50% ownership and responsible for an equal share of the costs.

Andina and Iron Creek commenced an 8,000 metre RC drilling program in August 2008 to test 17 high priority silver/gold epithermal vein and porphyry copper/gold targets and to December 31, 2008 Andina incurred approximately \$0.55 million in relation to its portion of expenditures on the property. The Company has incurred minimal costs on the PBA property for the nine months ended September 30, 2009 as the partners have wound up the drill program and are in the process of determining next steps.

6. CORPORATE SOCIAL RESPONSIBILITY

Andina's goal is to operate in an exemplary manner by maintaining best practices in health, safety and environmental management, while also maintaining good relations with local communities and government, working to foster sustainable development in the local areas surrounding its properties and, in particular, its Volcan property.

As part of the process of putting appropriate infrastructure in place for development, the Company is in the process of hiring a field manager for Volcan. This manager will be responsible for reviewing and improving, where necessary, Andina's policies and procedures for health, safety and environmental management. Part of the field manager's ongoing responsibility will be to ensure that these policies and procedures are adhered to and employees and consultants receive appropriate training in these areas.

Volcan's surrounding area is lightly populated. The Company estimates that there are several hundred local inhabitants, most of them belonging to the Colla indigenous group. Andina has appointed a Chilean community relations ("CR") consultant to conduct a stakeholder survey in order to determine the number of stakeholder groups and their level of development. Based on that initial study, which is in progress, Andina will develop a community relations plan and budget with the assistance of the CR consultant. The Company's CR activities to date have focused on education, including granting of scholarships to local youth to pursue college or university studies.

7. PROPERTY EXPENDITURES AND COMMITMENTS

Andina's 2009 expenditures on mineral properties were as follows (in millions):

Property	Balance December 31, 2008 <i>(Restated)</i>	Option payments and acquisition costs	Exploration costs	Development planning costs	Costs written off	Balance September 30, 2009
Encrucijada	\$0.74	\$-	\$0.03	\$-	\$-	\$0.77
PBA	1.44	-	0.04	-	-	1.48
Volcan	47.65	4.16	5.64	1.12	-	58.57
	\$49.83	\$4.16	\$5.71	\$1.12	\$ -	\$60.82

During the nine months ended September 30, 2009, Andina incurred \$10.99 million in capitalized expenditures on these properties, focused mainly on the flagship Volcan Gold Project. These expenditures included \$4.16 million in capitalized option payments and acquisition costs acquired as a result of the mineral concessions acquired from Barrick (see Section 5.1 – Acquisition of Mineral Concessions), \$5.71 million in capitalized exploration costs and \$1.12 million in capitalized development planning costs.



During the three months ended September 30, 2009, Andina incurred \$1.93 million in capitalized expenditures on these properties, focused mainly on the flagship Volcan Gold Project. These expenditures included \$1.16 million in capitalized exploration costs and \$0.77 million in capitalized development planning costs.

Of the \$5.71 million spent in 2009 on exploration expenditures on the Chilean properties, 98.8% of the costs, or \$5.64 million, were incurred on the Volcan Gold Project as Andina focused its exploration activities on its most prospective property. The following table identifies the breakdown of these expenditures:

Volcan Gold Project Exploration Expenditures
Nine Months Ended September 30, 2009
(in millions)

Drilling	\$1.53
Chilean Staff Costs	1.39
Value Added Taxes	0.59
Field Costs	0.47
Management and Office Costs	0.41
Consultant Costs	0.36
Stock-based Compensation (Capitalized to Mineral Properties)	0.22
Trenching	0.15
Land Taxes	0.15
Assaying	0.11
Other	0.26
	\$5.64

The exploration expenditures were incurred to conduct the Company's limited drilling program which ended in April 2009 and included a total of approximately 3,900 metres of diamond drilling and 2,200 metres of RC drilling in Dorado West, Central and East deposits. The focus of the program was on infill drilling to lend confidence to the Company's understanding of the Volcan resource ahead of the preparation of the CDP and PEA.

Andina also incurred \$1.12 million of capitalized development planning costs in support of the CDP and PEA, planned to be released in early 2010, as follows:

Volcan Gold Project Development Planning Expenditures
Nine Months Ended September 30, 2009
(in millions)

Metallurgical Assessment	\$0.56
Environmental	0.18
Mine Design	0.13
Resource Review	0.11
Electrical Power and Water Pipeline Design	0.08
Conceptual Development Plan	0.03
Camp Development	0.03
	\$1.12

In the audited December 31, 2008 financial statements, Andina recognized \$26.6 million as option payments and acquisition costs which entirely related to the acquisition, from a private Chilean company, of water rights. The assigned value of these water rights was reclassified as an intangible asset with an



indefinite life as a result of the Company's retroactive adoption of the Canadian Institute of Chartered Accountant's Handbook ("CICA") Section 3064, Goodwill and Intangible Assets. As a result, \$26.6 million has been reclassified from Mineral Properties to Intangible Assets as at December 31, 2008 and has no impact on the Company's income statement.

8. QUARTERLY FINANCIAL INFORMATION

The following selected data for the past eight quarters has been prepared in accordance with Canadian generally accounting principles and should be read in conjunction with the Company's unaudited consolidated financial statements:

Operations	Quarter Ended Sept. 30, 2009	Quarter Ended Jun. 30, 2009	Quarter Ended Mar. 31, 2009	Quarter Ended Dec. 31, 2008
Expenses	\$649,377	\$703,287	\$969,864	\$419,174
Foreign exchange loss (gain)	(1,411,133)	(135,772)	289,925	1,715,982
Stock-based compensation	144,736	160,143	320,343	46,456
Mineral properties written off	-	-	-	(1,370)
Interest income	(9,079)	(7,911)	(19,744)	(64,991)
Loss (earnings)	(\$626,099)	\$719,747	\$1,560,388	\$2,115,251
Loss (earnings) per share	(\$ 0.01)	\$ 0.01	\$ 0.02	\$ 0.03
Total Assets				
Cash and cash equivalents	\$21,595,402	\$22,577,575	\$12,692,179	\$15,809,283
Other current assets	226,895	222,798	190,079	419,044
Mineral properties	60,827,835	58,891,354	52,573,617	49,833,044
Property, plant and equipment	51,438	29,642	15,770	17,072
Intangible assets	26,582,786	26,582,786	26,582,786	26,582,786
	\$109,284,356	\$108,304,155	\$92,054,431	\$92,661,229

Operations	Quarter Ended Sep. 30, 2008	Quarter Ended Jun. 30, 2008	Quarter Ended Mar. 31, 2008	Quarter Ended Dec. 31, 2007
Expenses	\$532,576	\$748,689	\$418,939	\$395,090
Foreign exchange loss (gain)	666,083	50,351	367,762	29,958
Stock-based compensation	130,633	180,238	211,440	(34,986)
Mineral properties written off	560,105	1,027,959	-	-
Interest income	(124,249)	(155,990)	(173,790)	(312,224)
Loss (earnings)	\$1,765,148	\$1,851,247	\$824,351	\$77,838
Loss (earnings) per share	\$ 0.02	\$ 0.03	\$ 0.01	\$ nil
Total Assets				
Cash and cash equivalents	\$19,573,473	\$22,326,677	\$21,071,077	\$25,189,491
Other current assets	506,251	47,511	72,340	48,118
Mineral properties	48,000,385	47,072,606	44,092,357	37,019,982
Property, plant and equipment	31,427	53,021	46,769	62,052
Intangible assets	26,582,786	26,582,786	-	-
	\$94,694,322	\$96,082,601	\$65,282,543	\$62,319,643

The major variances in cash and total assets are mainly attributable to equity placements and the funding of the Company's exploration and development planning activities on its mineral properties as well as administrative expenses. As the Company is in the exploration stage, the Company does not generate operating revenue and as a result its sole source of income is the interest earned on cash resources.



Foreign exchange losses and gains are primarily a result of the fluctuations in the US\$ against the CDN\$. Any strengthening (or weakening) of the US\$ against the CDN\$ results in foreign exchange losses (or gains) on the Company's CDN\$ denominated cash and cash equivalent balances.

The increase in mineral properties is primarily a result of Andina's continued focus of exploring and developing its flagship property, the Volcan Gold Project.

The increase in intangible assets results from the \$26.6 million acquisition of water rights in the second quarter of 2008 which was reclassified from mineral properties in the first quarter of 2009 due to the adoption of CICA Section 3064, Goodwill and Intangible Assets (see Section 14.3 – Changes in Accounting Policies including Initial Adoption).

9. RESULTS OF OPERATIONS

Operations	Three Months Ended		Nine Months Ended	
	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Salaries, benefits and director fees	\$254,707	\$180,332	\$1,329,934	\$735,478
General and administrative	140,315	79,526	244,795	213,815
Travel	82,012	49,503	224,842	121,894
Regulatory and shareholder information	15,191	41,936	182,239	289,549
Legal and audit	73,270	57,052	169,075	128,118
Consulting fees	65,124	82,692	156,841	167,736
Amortization	2,972	2,005	6,145	4,084
Stock-based compensation	144,736	130,633	625,222	522,311
Mineral properties written off	-	560,105	-	1,588,064
Foreign exchange loss (gain)	(1,411,133)	666,083	(1,256,980)	1,084,196
Interest income	(9,079)	(124,249)	(36,734)	(454,029)
Unrealized loss on marketable securities held for trading	15,786	39,530	8,657	39,530
Loss (earnings)	(\$626,099)	\$1,765,148	\$1,654,036	\$4,440,746

9.1 Three Months Ended September 30, 2009

Andina's results of operations for the three months ended September 30, 2009 resulted in a gain of \$626,099, compared to the loss in the comparative period last year of \$1,765,148.

The variance between the two periods is due to:

- Write-off of the Anocarire, Valeriano and Quitovac properties in Q3 2008 for \$12,018, \$386,673 and \$161,414 respectively (total of \$560,105);
- Fluctuation in US\$ to CDN\$ foreign exchange rate. During Q3 2008, the US\$ strengthened against the CDN\$, moving from 0.98 CDN\$/US\$ at June 30, 2008 to 0.94 CDN\$/US\$ at September 30, 2008 and therefore providing for a loss on the Company's CDN\$ denominated cash and cash equivalent balances. During Q3 2009, the US\$ weakened considerably against the CDN\$, moving from 0.86 CDN\$/US\$ at June 30, 2009 to 0.93 CDN\$/US\$ at September 30, 2009 and therefore reversing the previous year's foreign exchange losses and leading to a significant gain of \$1,411,133 on CDN\$ denominated cash and cash equivalent balances;
- Salaries, benefits and directors fees in Q3 2009 increased from Q3 2008 due to the compensation paid to the Company's development-focused management team, appointed in early 2009;
- Interest income was significantly lower in Q3 2009 as opposed to the comparative period last year due to lower interest rates in Q3 2009.
- Travel increased in Q3 2009 as part of the increased development planning activities in Chile;



- Regulatory and shareholder information expenses were reduced in Q3 2009 as opposed to the comparative period last year due to one-time promotional activities in Q3 2008;
- General and administrative expenditures increased in Q3 2009 in comparison to the same period in prior year, primarily due to the remittance of \$63,000 of taxes paid to bring the Quitovac property into good standing with the Mexican authorities in order to legally transfer title; and
- The unrealized gain on marketable securities held for trading is due to the change in market value of the Company's investment in Iron Creek, which it received in Q3 2008.

9.2 Nine Months Ended September 30, 2009

Andina's results of operations for the nine months ended September 30, 2009 resulted in a loss of \$1,654,036, compared to the loss in the comparative period last year of \$4,440,746.

The variance between the two periods is due to:

- Write-off of the Anocarire, Valeriano and Quitovac properties in Q2 and Q3 2008 for \$1,039,977, \$386,673 and \$161,414 respectively (total of \$1,588,064);
- Fluctuation in US\$ to CDN\$ foreign exchange rate. During the first nine months of 2008, the US\$ strengthened significantly against the CDN\$, moving from 1.01 CDN\$/US\$ at December 31, 2007 to 0.94 CDN\$/US\$ at September 30, 2008 and therefore providing for a significant loss on the Company's CDN\$ denominated cash and cash equivalent balances. During Q1 and Q2 2009, the US\$ continued to strengthen against the CDN\$, but only slightly. During Q3 2009, the US\$ weakened considerably against the CDN\$, moving from 0.86 CDN\$/US\$ at June 30, 2009 to 0.93 CDN\$/US\$ at September 30, 2009. As a result, the Company recognized a significant foreign exchange gain of \$1,256,980 for the nine months ended September 30, 2009;
- Salaries, benefits and directors fees for 2009 include severance amounts of \$500,000 and \$218,500 paid to the former CEO and CFO, respectively. Q2 2008 included management bonuses of \$185,800 paid in relation to the 2007/2008 exploration campaign which ran from October 2007 through to the end of April 2008;
- Travel increased in 2009 as part of the growing development planning activities in Chile as well as a result of the introduction of the new CEO to North American and international shareholders;
- Regulatory and shareholder information expenses were lower in 2009 as opposed to the comparative period last year due to one-time promotional activities in the prior year;
- Interest income was significantly lower in 2009 as opposed to the comparative period last year due to lower interest rates throughout the period in 2009. The Bank of Canada responded to the effects of the global economic crisis by lowering interest rates and as a result, the Company earned less interest income on its cash balances; and
- Stock-based compensation is affected primarily by the timing of option grants, as 25% of the value of the options is generally expensed on the date of the grant and the remaining 75% of the value is generally expensed over the 18 month vesting period of the options.

10. 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 (see Section 14.7 – Risk Factors). Andina has not generated any revenue from operations and does not expect to generate any such revenue in its current or next fiscal year.

On June 16, 2009, the Company completed an agreement with a syndicate of underwriters under which the underwriters bought on a private placement, bought deal basis, 10,350,000 common shares at a price of CDN\$1.50 per common share for gross proceeds of CDN\$15.5 million. 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 310,500 common shares at a price of CDN\$1.50, exercisable until June 16, 2011. The Company also incurred \$0.2 million of other cash share issuance costs in relation to the transaction. In accordance with the disclosure in Andina's Short Form Prospectus dated June 8, 2009 (the "**June 2009 Prospectus**"), the table below shows the actual use of proceeds against the planned use of proceeds. Andina's June 2009 Prospectus disclosed the use of proceeds based on an estimate prepared by management of the Company and was converted into CDN\$ using the CDN\$ to US\$ noon foreign exchange rate on May 28, 2009 as reported by the Bank of Canada of 0.899. The Company has allocated the overallotment proceeds (net of the 6% commission) on a pro-rata basis based on the use of proceeds disclosed in the June 2009 Prospectus.

June 16, 2009 Financing (in millions)	Use of Proceeds (CDN\$)	Allocation of Overallotment (CDN\$)	Total Use of Proceeds (CDN\$)	Total Use of Proceeds (US\$)	Actual to November 13, 2009 (US\$)	Expected Use of Proceeds November 13 to December 31, 2009 (US\$)
Volcan Region Strategic Exploration Targets	\$1.10	\$0.16	\$1.26	\$1.13	\$nil	\$0.45
Volcan Development (primarily resource definition drilling)	8.80	1.32	10.12	9.10	nil	3.57
Conceptual Development	1.00	0.15	1.15	1.03	0.85	0.18
Engineering & Planning	1.79	0.27	2.06	1.85	1.32	0.53
General Corporate Purposes						
	\$12.69	\$1.90	\$14.59	\$13.11	\$2.17	\$4.73

As at September 30, 2009, Andina's working capital was \$20.9 million (December 31, 2008 – \$15.5 million). Working capital is calculated as the total of cash and cash equivalents (\$21.6 million), marketable securities (\$0.1 million), and accounts receivable and prepaid expenses (\$0.1 million) less accounts payable and accrued liabilities (\$0.9 million). Andina's cash and cash equivalents are comprised of cash held in interest earning accounts and are fully liquid deposits held at a major Canadian chartered bank. Andina does not invest in asset-backed commercial paper.

Working capital increased for the nine months ended September 30, 2009 due primarily to cash proceeds of \$12.6 million and \$0.4 million from the issuance of common shares and exercise of options, respectively, offset by expenditures of \$6.5 million on mineral properties and \$2.2 million of operating expenditures.

As of September 30, 2009, Andina had approximately \$21.6 million in cash and cash equivalents. Volcan Gold Project development planning expenditures are expected to be \$2.0 million for fiscal 2009 as Andina progresses with the CDP and PEA. As at September 30, 2009, actual Volcan Gold Project development planning expenditures totaled \$1.1 million with \$0.9 million expected for Q4 2009. Actual Volcan development planning spending will be based on timing of consultant work, capital resources, permits and the potential for additional geological data. Estimated costs for the entire 2009/2010 Field Season is expected to be in the range of approximately \$14.7 million, with the Company planning to deploy a total of four drill rigs for development-related exploration (see Section 4 – Volcan Development Planning) and strategic exploration (see Section 5.1 – Volcan Gold Project). Administrative expenditures of \$1.2 million are expected for the remainder of 2009.

On November 3, 2009, the Company announced that it had entered into an agreement with a syndicate of underwriters for a private placement on a bought deal basis for the issuance of 12,500,000 units at a price of CDN\$2.00 per unit for gross proceeds of CDN\$25,000,000. The net proceeds of the offering will be used to further progress the Volcan Gold Project and for general corporate purposes. See 14.1 – Subsequent Event for additional details.



Andina had no off balance sheet arrangements as at September 30, 2009.

11. OUTLOOK

Andina will continue to focus on advancing the Volcan Gold Project toward production. Anticipated milestones during the next several months include:

- Closing of the CDN\$25 million bought deal equity financing expected by or on November 24, 2009;
- Preliminary results from the strategic exploration program toward the end of Q4 2009; and
- Completion and announcement of Conceptual Development Plan and Preliminary Economic Assessment in early 2010.

12. CRITICAL ACCOUNTING ESTIMATES

Andina's significant accounting policies are summarized in note 2 to the audited consolidated financial statements for the year ended December 31, 2008. These financial statements have been prepared using 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, Andina is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage (see Section 14.7 – Risk Factors). 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 policies described below, and estimates related to them, have the most significant effect in preparation and presentation of Andina's consolidated financial statements.

12.1 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.



12.2 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.

12.3 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. Forfeitures of stock options are recognized as incurred.

13. OUTSTANDING SHARE DATA

	Number of Shares
Common shares outstanding – December 31, 2008	79,376,907
Shares issued for acquisition of mineral concessions	2,000,000
Bought-deal private placement	10,350,000
Shares issued on exercise of stock options	727,400
Common shares outstanding – September 30, 2009	92,454,307
Shares issued on exercise of stock options	502,600
Common shares outstanding – November 13, 2009	92,956,907
Unexercised broker warrants – 2009 private placement	310,500
Unexercised stock options	6,045,625
Fully diluted common shares outstanding – November 13, 2009	99,313,032

13.1 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.

13.2 Warrants

On August 9, 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) expired unexercised. The 2007 broker warrants and 2007 warrants were issued in relation to a private placement on a bought deal basis, which closed on February 9, 2007.

Each of the 310,500 brokers warrants issued in connection with the 2009 Andina bought deal private placement financing of June 16, 2009, remain outstanding as of the date of this MD&A and entitle the underwriter to purchase one common share at a price of CDN\$1.50 until June 16, 2011.



13.3 Stock Options

Andina has a stock option plan under which stock options may be granted to 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 vesting period of 18 months; and (iv) contains other provisions to ensure the stock option plan is compliant with stock exchange regulations.

During the nine months ended September 30, 2009 Andina issued 2,060,000 options, 727,400 options were exercised and 332,500 options expired or were forfeited. The following options were outstanding at September 30, 2009:

Issue date	Options outstanding	Options exercisable	Exercise Price (CDN\$)	Weighted average remaining life (Years)
January 6, 2005	407,600	407,600	\$0.70	0.27
April 21, 2005	49,000	49,000	\$0.74	0.55
August 24, 2005	100,000	100,000	\$0.70	0.90
September 27, 2005	295,000	295,000	\$0.70	0.88
April 18, 2006	1,366,000	1,366,000	\$1.35	1.41
January 16, 2007	225,000	225,000	\$3.00	0.92
May 9, 2007	655,000	655,000	\$3.25	2.12
November 29, 2007	150,000	150,000	\$4.60	1.83
February 29, 2008	75,000	75,000	\$4.30	3.42
October 8, 2008	1,167,500	697,500	\$1.50	3.49
January 5, 2009	1,000,000	500,000	\$1.08	4.27
February 18, 2009	200,000	100,000	\$1.80	4.39
February 27, 2009	500,000	250,000	\$1.70	4.41
March 12, 2009	250,000	125,000	\$1.52	4.45
March 27, 2009	30,000	15,000	\$1.75	4.49
August 12, 2009	80,000	20,000	\$1.50	4.87
	6,550,100	5,030,100		

Subsequent to September 30, 2009 and to the date of this MD&A, 502,600 stock options were exercised for cash proceeds of \$363,534. The majority of these options were due to expire in early January 2010. Additionally in this subsequent period, 1,875 stock options were forfeited.

14. OTHER INFORMATION

14.1 Subsequent Event

On November 3, 2009, the Company announced that it had entered into an agreement with a syndicate of underwriters co-led by BMO Nesbitt Burns Inc. and Haywood Securities Inc. and including, Canaccord Capital Corporation and RBC Dominion Securities Inc. (collectively, the "**Underwriters**"), under which the Underwriters have agreed to buy, on a bought deal basis, 12,500,000 units at a price of CDN\$2.00 per unit for gross proceeds of CDN\$25,000,000. Each unit will consist of one common share and one-half of



one common share purchase warrant.

Each whole common share purchase warrant will entitle the holder to purchase one common share of the Company at a price of \$2.25 prior to the date which is 24 months following the closing of the offering. The Company has granted the Underwriters an option, for a period of 30 days following the closing of the offering, to purchase up to an additional 15% of the number of units purchased to cover over-allotments, if any. The Underwriters will receive a total cash commission equal to 6.0% of the gross proceeds of the offering. The offering is expected to close on or about November 24, 2009 and is subject to the Company receiving all necessary regulatory approvals, including the approval of the TSX Venture Exchange.

14.2 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.

14.3 Sensitivity Analysis

For the nine months ended September 30, 2009, management estimates that if interest rates had changed by 1%, assuming all other variables remained constant, the impact to net loss would have been approximately \$94,000.

For the nine months ended September 30, 2009, management estimates that if the United States dollar had weakened or strengthened by 10% against the Canadian dollar and Chilean pesos, assuming all other variables remained constant, net loss would have decreased or increased by approximately \$1,161,000.

For the nine months ended September 30, 2009, management estimates that if the value of its marketable securities of investments in publicly traded companies had changed 50%, with all other variables held constant, net loss would have decreased or increased by approximately \$71,000.

14.4 Changes in Accounting Policies including Initial Adoption

The Company adopted the following CICA standards commencing January 1, 2009:

Section 3064, Goodwill and Intangibles – 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 Volcan, having a value of \$26,582,786, as an intangible asset with an indefinite useful life. As a result, \$26,582,786 has been reclassified from Mineral Properties to Intangible Assets as at December 31, 2008 and has no impact on the Company's consolidated statement of operations.

EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities – In January 2009, the CICA issued EIC 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments.



This EIC applies to interim and annual financial statements relating to periods beginning on or after January 1, 2009. Adoption of this EIC did not have any effect on the Company's consolidated financial statements.

EIC 174 Mining Exploration Costs – In March 2009, the CICA issued EIC 174, Mining Exploration Costs. The EIC provides guidance on the accounting and the impairment review of exploration costs. Adoption of this EIC did not result in a significant impact to the Company's consolidated financial statements.

14.5 Future Accounting Pronouncements

Convergence with International Financial Reporting Standards ("IFRS") - In 2006, the Canadian Accounting Standards Board ("**AcSB**") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended December 31, 2010.

Andina is currently assessing the impact of the ultimate adoption of IFRS. The Company has begun its IFRS transition plan, which includes a timetable for assessing the impact of IFRS on accounting policies, data systems, internal controls over financial reporting, and business activities. Andina expects to complete its assessment of the impact of IFRS on its consolidated financial statements in early 2010 and will incorporate any future changes to IFRS to ensure compliance by 2011.

14.6 Corporate Governance

Andina's Board of Directors follows corporate governance policies for public companies to ensure transparency and accountability to shareholders. A brief summary of Board Committees is provided below; for more details on Andina's Corporate Governance, please see the Company's most recent Management Information Circular, which is available at www.andinaminerals.com.

The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual consolidated financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three independent directors, meets with management and the external auditors on a quarterly basis to review the financial statements, including the management's discussion and analysis, and to discuss other financial, operating and internal control matters.

The Human Resources and Corporate Governance Committee fulfills its role of assisting the Board of Directors in fulfilling its oversight responsibilities by assessing the effectiveness of the Board of Directors; assessing the Company's governance; proposing new nominees for appointment to the Board of Directors; and approving compensation matters pertaining to the executives and senior management. The Human Resources and Corporate Governance Committee, comprised of three independent directors, meets at least once per annum or more frequently as circumstances require.

14.7 Risk Factors

The Company is in the advanced exploration stage and is transitioning to development and is subject to the risks and challenges similar to other companies in a comparable stage. The risk factors set forth in Andina's AIF dated April 8, 2009, June 8, 2009 Prospectus and November 9, 2009 Preliminary Prospectus, copies of which are filed on SEDAR, as well as those regarding the Conceptual Development



Plan and Preliminary Economic Assessment discussed elsewhere in this MD&A, could materially affect Andina's future operating results, the successful development of the Volcan Gold Project, and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

14.8 Forward-Looking Statements

This report contains, or incorporates by reference, "forward-looking information" which may include, but is not limited to, statements with respect to the future financial and operating performance of Andina, its subsidiaries and affiliated companies, and its mineral properties, the future price of gold and other metals, the estimation of mineral resources, the realization of mineral resource estimates, exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, timing of economic and scoping-level studies, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations and exploration operations, timing and receipt of approvals and licences under mineral legislation, environmental risks, title disputes or claims and limitations of insurance coverage. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) 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 in this report, or in the documents incorporated by reference, include among others: the future development of the Volcan Gold Project (as defined herein), the timing and completion of the Conceptual Development Study and Preliminary Economic Assessment on the Volcan Gold Project, the results of such studies, and the anticipated expenditures thereon; the completion of the 2009/2010 drill program which commenced in October 2009 and includes the drilling in support of gathering information for project development, water exploration and sulphur exploration. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Andina and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations and studies (including the Conceptual Development Study and Preliminary Economic Assessment on the Volcan Gold Project); currency fluctuations; future prices of gold and other metals; possible variations of ore grade or recovery rates; failure of equipment to operate as anticipated; accidents, political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; liquidity and financing risks related to the global economic crisis, as well as those factors discussed in the section entitled "Risk Factors" in this report. Such forward-looking statements are based on a number of material factors and assumptions, including: that contracted parties provide goods and/or services on the agreed timeframes; the receipt of necessary approvals from the TSXV; that on-going contractual negotiations will be successful and progress and/or be completed in a timely manner; that no unusual geological or technical problems occur; that plant and equipment work as anticipated and that there is no material adverse change in the price of gold. 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 to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this report and Andina disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable laws. 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 due to the inherent uncertainty therein.