



ANDINA MINERALS INC.

CHARTER OF THE BOARD OF DIRECTORS

I. GENERAL

The Board of Directors of Andina Minerals Inc. (the “Company”) is responsible for the stewardship and the general supervision of the management of the business and for acting in the best interests of the Company and its shareholders. The Board will discharge its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Human Resources/Corporate Governance Committee. In addition, the Board may from time to time, appoint such additional committees as it deems necessary and appropriate in order to discharge its duties, each which committee shall have its own charter. The Board shall meet regularly, but not less than once each quarter, to review the business operations, corporate governance and financial results of the Company. Meetings of the Board of Directors will also include regular meetings (not less than once annually) of the independent members of the Board without management being present.

II. COMPOSITION

The Board of Directors shall be constituted at all times of a least two independent directors, meaning (except in British Columbia) directors that have no direct or indirect material relationship with the Company, in accordance with National Policy 58-201 *Corporate Governance Guidelines*, as set out in Schedule “A” hereto. In British Columbia, a director is independent unless a reasonable person with knowledge of all the relevant circumstances would conclude that the director is in fact not independent of management or of any significant shareholder.

As the guidelines set out in Schedules “A” may be revised, updated or replaced from time to time, the Board shall ensure that such schedules get updated accordingly when required.

III. RESPONSIBILITIES

The Board of Directors' mandate is the stewardship of the Company and its responsibilities include, without limitation to its general mandate, the following specific responsibilities:

- The assignment to the various committees of directors the general responsibility for developing the Company’s approach to: (i) corporate governance and nomination of directors; (ii) financial reporting and internal controls; and (iii) compensation of officers and senior employees.
- With the assistance of the Human Resources/Corporate Governance Committee:



- Reviewing the composition of the Board and ensuring it respects its independence criteria.
 - Satisfying itself as to the integrity of the Chief Executive Officer and other senior officers and that such officers create a culture of integrity throughout the organization.
 - The assessment, at least annually, of the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including, consideration of the appropriate size of the Board.
 - Ensuring that an appropriate review selection process for new nominees to the Board is in place.
 - Ensuring that a comprehensive orientation and education program for new members of the Board is in place, so as to ensure that all new members understand the role of the Board and its committees, the contributions individual members are expected to make as well as the nature and operation of the Company's business.
 - Providing continuing education opportunities for all directors, so that individuals may maintain and enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Company's business remains current.
 - Approving and revising from time to time as circumstances warrant a corporate disclosure and communications policy to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and communities in which the business of the Company is conducted.
- With the assistance of the Audit Committee:
 - Ensuring the integrity of the Company's internal controls and management information systems.
 - Ensuring the Company's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Company's own governing documents.
 - Identifying the principal risks of the Company's business and ensuring that appropriate systems are in place to manage these risks.
 - Reviewing and approving significant operational and financial matters and the provision of direction to management on these matters.



- As required and agreed upon, providing assistance to shareholders concerning the integrity of the Company's reported financial performance.
- With the assistance of the Compensation Committee and the Chief Executive Officer, the approval of the compensation of the senior management team.
- Succession planning including the selection, training, appointment, monitoring evaluation and, if necessary, the replacement of the senior management to ensure management succession.
- The adoption of a strategic planning process and the approval, on at least an annual basis of a strategic plan which takes into account business opportunities and business risks identified by the Board and/or the Audit Committee and monitoring performance against such plans.
- The review and approval of corporate objectives and goals applicable to the Company's senior management.
- Overseeing the Company's implementation of systems to accommodate feedback from stakeholders and establishing a process to permit such stakeholders to directly contact independent directors.
- Enhancing congruence between shareholder expectations, Company plans and management performance.
- Reviewing with senior management material transactions outside the ordinary course of business and such other major corporate matters which require Board approval including the payment of dividends, the issue, purchase and redemption of securities, acquisitions and dispositions of material assets and material capital expenditures and approving such decisions as they arise.
- Performing such other functions as prescribed by law or assigned to the Board in the Company's constituting documents and by-laws.



SCHEDULE "A"

Independence Requirements under National Policy 58-201 Corporate Governance Guidelines

Pursuant to National Policy 58-201 *Corporate Governance Guidelines*, a "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgement.

For greater certainty, the following individuals are considered to have a material relationship with the Company:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the Company;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Company;
- (c) an individual who:
 - (i) is a partner of a firm that is the Company's internal or external auditor;
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the Company's internal or external auditor;
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company's current executive officers serve or served at the same time on the entity's compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Company received, more than Cdn.\$75,000 per year in direct compensation from the Company during any 12 month period within the last three years.



Despite the foregoing, an individual will not be considered to have a material relationship with the Company solely because:

- (i) he or she had a relationship identified above if that relationship ended before March 30, 2004; or
- (ii) he or she had a relationship identified above with a subsidiary entity of the Company or a parent of the Company if that relationship ended before June 30, 2005.

For the purposes of clauses (c) and (d) above, a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

For the purposes of clause (f) above, direct compensation does not include:

- (a) remuneration for acting as a member of the board of directors or any board committee of the Company, and
- (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Despite the foregoing, an individual will not be considered to have a material relationship with the Company solely because the individual or his or her immediate family member

- (a) has previously acted as an interim chief executive officer of the Company, or
- (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the Company on a part-time basis.

References above to the Company include a subsidiary entity of the Company and a parent of the Company.