

***ANDINA MINERALS INC.***

*Consolidated Financial Statements*

*June 30, 2006*

**ANDINA MINERALS INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**CONSOLIDATED BALANCE SHEETS**  
**(United States Dollars)**  
**UNAUDITED**

	<b>June 30, 2006</b>	<b>December 31, 2005</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 738,408	\$ 498,585
Marketable securities (note 3)	15,052,159	3,011,066
Amounts receivable and other current assets	77,363	54,754
	15,867,930	3,564,405
<b>Mineral properties (note 4)</b>	8,173,554	3,939,300
<b>Equipment (note 5)</b>	83,423	100,100
	\$ 24,124,907	\$ 7,603,805
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 218,381	\$ 714,034
<b>Shareholders' Equity</b>		
<b>Capital stock (note 6(a))</b>	22,564,572	7,537,840
<b>Warrants (note 6(b))</b>	3,619,716	1,735,529
<b>Contributed surplus (note 6(b))</b>	828,359	439,458
<b>Deficit</b>	(3,106,121)	(2,823,056)
	23,906,526	6,889,771
	\$ 24,124,907	\$ 7,603,805

Going concern (note 1), Subsequent event (note 11)

See accompanying notes to the consolidated financial statements

**ANDINA MINERALS INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
**(United States Dollars)**  
**UNAUDITED**

	<b>Three Months Ended June 30, 2006</b>	<b>Three Months Ended June 30, 2005</b>	<b>Six Months Ended June 30, 2006</b>	<b>Six Months Ended June 30, 2005</b>	<b>Cumulative Since Inception</b>
<b>Expenses</b>					
Consulting fees	\$ 55,120	\$ 49,006	\$ 79,713	\$ 90,689	\$ 224,319
Payroll expenses	75,879	34,156	112,576	59,595	207,876
Professional fees	37,760	56,008	70,733	104,810	235,109
Office expenses	21,065	23,761	31,400	38,866	108,049
Investor relations	30,693	14,851	39,533	23,320	104,460
Rent	12,033	13,365	24,028	19,729	63,550
Travel	9,635	12,365	17,683	25,912	52,203
Insurance	1,031	1,001	2,702	1,001	24,748
Amortization	7,183	-	14,328	-	28,546
Foreign exchange	(445,564)	14,353	(428,297)	82,477	(474,574)
Stock-based compensation (note 6(b))	322,049	28,604	388,901	129,975	748,536
Mineral properties written off (note 4)	784	623,705	55,886	623,705	2,674,761
	<u>127,668</u>	<u>871,175</u>	<u>409,186</u>	<u>1,200,079</u>	<u>3,997,583</u>
Interest income	<u>111,047</u>	<u>27,533</u>	<u>126,121</u>	<u>60,822</u>	<u>269,283</u>
Loss for the period before taxes	16,621	843,642	283,065	1,139,197	3,728,300
Future income tax recovery	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>622,179</u>
<b>Loss for the period</b>	<b>16,621</b>	<b>843,642</b>	<b>283,065</b>	<b>1,139,197</b>	<b>3,106,121</b>
<b>Deficit, beginning of period</b>	<b>3,089,500</b>	<b>502,390</b>	<b>2,823,056</b>	<b>206,835</b>	<b>-</b>
<b>Deficit, end of period</b>	<b><u>\$ 3,106,121</u></b>	<b><u>\$ 1,346,032</u></b>	<b><u>\$ 3,106,121</u></b>	<b><u>\$ 1,346,032</u></b>	<b><u>\$ 3,106,121</u></b>
<b>Loss per share (note 7)</b>	<b><u>nil</u></b>	<b><u>\$0.03</u></b>	<b><u>\$ 0.01</u></b>	<b><u>\$0.04</u></b>	

See accompanying notes to the consolidated financial statements

**ANDINA MINERALS INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(United States Dollars)**  
**UNAUDITED**

	<b>Three Months Ended June 30, 2006</b>	<b>Three Months Ended June 30, 2005</b>	<b>Six Months Ended June 30, 2006</b>	<b>Six Months Ended June 30, 2005</b>	<b>Cumulative Since Inception</b>
<b>Cash provided by (used in)</b>					
<b>Operating activities</b>					
Loss for the period	\$ (16,621)	\$ (843,642)	\$ (283,065)	\$ (1,139,197)	\$ (3,106,121)
Items not involving cash:					
<i>Amortization</i>	7,183	-	14,328	-	28,546
<i>Stock-based</i>					
<i>Compensation</i>	322,049	28,604	388,901	129,975	748,536
<i>Mineral properties written off</i>	784	623,705	55,886	623,705	2,674,761
<i>Future income tax Recovery</i>	-	-	-	-	(622,179)
	<u>313,395</u>	<u>(191,333)</u>	<u>176,050</u>	<u>(385,517)</u>	<u>(276,457)</u>
Net change in non-cash working capital					
<i>Amounts receivable</i>	(18,750)	(112,583)	(22,609)	(138,809)	(36,591)
<i>Accounts payable</i>	(430,716)	(196,848)	(495,653)	(143,607)	(36,702)
	<u>(136,071)</u>	<u>(500,764)</u>	<u>(342,212)</u>	<u>(667,933)</u>	<u>(349,750)</u>
<b>Financing activities</b>					
Issue of common shares for cash	15,234,387	-	15,234,387	-	22,893,672
Shares issued on exercise of warrants	745,622	-	1,676,532	-	1,676,532
Loans	-	-	-	-	144,354
	<u>15,980,009</u>	<u>-</u>	<u>16,910,919</u>	<u>-</u>	<u>24,714,558</u>
<b>Investing activities</b>					
Mineral properties	(2,035,339)	(1,834,073)	(3,802,886)	(1,191,216)	(7,111,303)
Property payments	(313,051)	(346,825)	(487,254)	(439,845)	(1,622,516)
Equipment	4,790	(4,900)	2,349	(13,566)	(111,969)
Marketable securities	(13,612,072)	-	(12,041,093)	-	(15,052,159)
Cash acquired on reverse Takeover	-	-	-	-	271,547
	<u>(15,955,672)</u>	<u>(1,185,798)</u>	<u>(16,328,884)</u>	<u>(1,644,627)</u>	<u>(23,626,400)</u>
<b>Increase in cash</b>	(111,734)	(1,686,562)	239,823	(2,312,560)	738,408
Cash, beginning of period	850,142	6,720,002	498,585	7,346,000	-
<b>Cash, end of period</b>	<u>\$ 738,408</u>	<u>\$ 5,033,440</u>	<u>\$ 738,408</u>	<u>\$ 5,033,440</u>	<u>\$ 738,408</u>

See accompanying notes to the consolidated financial statements

**ANDINA MINERALS INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**AS AT JUNE 30, 2006 AND 2005**  
**AND FOR THE THREE MONTHS ENDED JUNE 30, 2006 AND 2005**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(United States Dollars)**  
**UNAUDITED**

**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. and listed as a Capital Pool Company on the TSX Venture Exchange. Effective February 28, 2003, the Company completed its Qualifying Transaction by acquiring all of the outstanding shares of Quitovac Mining Company Limited (“Quitovac”). In conjunction with the acquisition of Quitovac, the Company changed its name to CastleRock Resources Inc. and ceased to be a Capital Pool Company.

Effective December 31, 2004 the Company acquired all the outstanding shares of Andina Minerals Inc. (“Holdings”), a company incorporated on December 3, 2003. 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 developing mineral properties in Chile. To date the Company has not earned any revenue and is considered to be in the development stage.

The recoverability of the amounts shown for mineral properties and related deferred exploration expenditures is dependent on the existence of economically recoverable reserves, the Company’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.

The unaudited interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). The preparation of financial data is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements. The accompanying unaudited consolidated financial statements should be read in conjunction with the notes to the Company’s audited consolidated financial statements for the year ended December 31, 2005, since these statements do not contain all disclosures required by Canadian GAAP for annual financial statements. These unaudited interim consolidated financial statements reflect all normal and recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

**2. Auditor Involvement**

The Company’s auditors have not performed a review of the unaudited consolidated financial statements for the six months ended June 30, 2006 and 2005.

### 3. Marketable Securities

Marketable securities at June 30, 2006 consists of a prime-linked and fixed interest guaranteed investment certificates issued by a Canadian chartered bank that mature at various dates to March 2, 2007.

### 4. Mineral properties

All of the Company's mineral properties, except the Quitovac project, are located in Chile. These Chilean mineral properties are currently under option agreements whereby the Company may acquire, subject to certain royalty payments, a 100% interest in the mineral properties from the landowners by making certain payments to the landowners (note 9). The Quitovac project is located in Mexico and is under option to another mineral exploration company.

Project	Balance December 31, 2005	Option payments and acquisition costs	Exploration costs	Costs written off	Balance June 30, 2006
Aroma	\$ 324,433	\$ 64,314	\$ 35,633	-	424,380
Anocarire	264,708	64,314	5,273	-	334,295
Encrucijada	208,925	114,656	21,333	-	344,914
Pampa Buenos					
Aires	164,960	14,656	64,259	-	243,875
Volcan	2,881,274	229,314	3,620,502	-	6,731,090
	<u>3,844,300</u>	<u>487,254</u>	<u>3,747,000</u>	<u>-</u>	<u>8,078,554</u>
Quitovac (a)	<u>95,000</u>	<u>-</u>	<u>55,886</u>	<u>(55,886)</u>	<u>95,000</u>
	<u>\$ 3,939,300</u>	<u>\$ 487,254</u>	<u>\$ 3,802,886</u>	<u>\$ (55,886)</u>	<u>\$ 8,173,554</u>

- (a) The Quitovac property was acquired on the acquisition of the Company by Holdings (note 1). The Company, through its Mexican subsidiary, owns a 100% interest in the Quitovac property, located in Mexico. On December 5, 2003, the Company signed an option agreement (the "Copper Ridge Option") with Copper Ridge Explorations Inc. and Cuesta del Cobra S.A. de C.V. ("Copper Ridge") which granted Copper Ridge the option to acquire a 55% interest in the Quitovac property during the five-year option period and thereafter up to a 75% interest. Under the terms of the Copper Ridge Option, Copper Ridge is required to make payments of US\$370,000, issue 1,000,000 common shares and incur exploration expenditures of not less than US\$1,500,000 by December 5, 2008.

On review of the carrying value at December 31, 2005 the Company wrote down the carrying value of the property to its estimated fair value of \$95,000. An impairment loss of \$1,889,496, net of deferred taxes of \$622,179, was charged to operations during 2005. Property taxes of \$55,886 were paid in the three months ended June 30, 2006 and written off.

- (b) Deferred exploration costs on the Chilean mineral properties are comprised as follows:

**Deferred Exploration Costs for the Six Months Ended June 30, 2006**

	<b>Drilling (\$)</b>	<b>Exploration Staff (\$)</b>	<b>Trenches (\$)</b>	<b>IVA (\$)</b>	<b>Assaying (\$)</b>	<b>Field Costs (\$)</b>	<b>Other (\$)</b>	<b>Total (\$)</b>
Aroma	26,554	2,206	-	301	-	882	5,700	35,632
Anocarire	-	-	-	52	-	61	5,160	5,272
Encrucijada	-	-	-	1,393	-	91	19,940	21,333
Pampa Buenos Aires	-	-	-	271	-	-	63,897	64,259
Volcan	1,097,607	652,862	536,916	454,844	197,311	237,647	446,315	3,620,502
	<u>1,124,151</u>	<u>652,068</u>	<u>536,916</u>	<u>456,861</u>	<u>197,311</u>	<u>238,681</u>	<u>541,012</u>	<u>3,747,000</u>

**Deferred Exploration Costs for the Six Months Ended June 30, 2005**

	<b>Drilling (\$)</b>	<b>Exploration Staff (\$)</b>	<b>Trenches (\$)</b>	<b>IVA (\$)</b>	<b>Assaying (\$)</b>	<b>Field Costs (\$)</b>	<b>Other (\$)</b>	<b>Total (\$)</b>
Aroma	-	35,5570	9,796	2,383	12,127	4,355	91,014	155,245
Anocarire	-	5,752	1,584	385	1,961	704	14,717	25,103
Domeyko	63,157	30,136	8,300	8,884	10,274	3,690	7,088	131,529
Encrucijada	-	3,911	1,077	262	1,334	479	10,008	17,071
Gitana	128,581	61,354	16,897	18,087	20,917	7,511	14,431	267,778
Pampa Buenos Aires	-	7,705	2,122	516	2,627	944	19,716	33,630
Volcan	269,312	128,505	35,391	37,883	43,810	15,733	30,226	560,860
	<u>461,050</u>	<u>272,933</u>	<u>75,168</u>	<u>68,400</u>	<u>93,049</u>	<u>33,415</u>	<u>187,201</u>	<u>1,191,216</u>

**5. Equipment**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value June 30, 2006</b>	<b>Net Book Value December 31, 2005</b>
Exploration equipment	\$ 48,448	\$ 12,403	\$ 36,045	\$ 45,809
Exploration vehicles	49,115	12,575	36,540	41,614
Office equipment	14,406	3,568	10,838	12,677
	<u>\$ 111,969</u>	<u>\$ 28,546</u>	<u>\$ 83,243</u>	<u>\$ 100,100</u>

**6. Capital stock**

**(a) Authorized -**

Unlimited common shares  
Unlimited preferred shares, issuable in series

**Issued -**

	<b>Number of Shares</b>	<b>Capital Stock</b>
<b>Shares issued before reverse takeover by Holdings (note 1)</b>	14,861,481	\$ 3,196,165
Reverse takeover adjustment	-	(3,196,165)
Holdings common shares	-	600,001
Shares issued on reverse takeover	34,676,789	1,605,099
Transaction costs	-	(121,015)
<b>Shares issued after reverse takeover by Holdings and before share consolidation</b>	49,538,270	2,084,085
Share consolidation on a 5 for 1 basis	(39,630,641)	-
<b>Shares issued after share consolidation</b>	9,907,629	2,084,085
Private placement	15,833,334	6,792,749
Issue costs	-	(1,338,994)
<b>Balance – December 31, 2004 and 2005</b>	25,740,963	7,537,840
Shares issued on exercise of broker warrants	517,036	476,264
Shares issued on exercise of warrants	935,061	777,792
<b>Balance – March 31, 2006</b>	27,193,060	8,791,896
Private placement	16,000,000	13,183,673
Issue costs	-	(1,699,864)
Shares issued on exercise of broker warrants	1,066,297	998,158
Shares issued on exercise of warrants	1,552,242	1,290,709
<b>Balance – June 30, 2006</b>	<u>45,811,599</u>	<u>\$ 22,564,572</u>

On December 31, 2004, following the reverse takeover as described in note 1, the Company consolidated its common shares on the basis of one new common share for five existing common shares.

On December 31, 2004, the Company completed a brokered private placement financing of 15,833,334 units at a price of CDN\$0.60 (\$0.50) for gross proceeds of CDN\$9,500,000 (\$7,892,600). Each unit consists of one common share and one-half of a share purchase warrant. Agents acted on behalf of the Company with respect to the offering and received a total cash commission equal to 7.8% of the gross proceeds of the offering and broker's warrants to purchase up to 1,583,333 units. The net proceeds of the financing, \$6,553,607, were allocated \$5,453,755 as to the common shares and \$1,099,852 as to the warrants. None of the warrants or broker warrants were exercised during 2005. 2,487,303 of the warrants and all of the broker warrants were exercised during the six months ended June 30, 2006.

Each of the 7,916,667 whole warrants issued in connection with the brokered private placement on December 31, 2004 entitles the holder to purchase one additional common share at a price of CDN\$0.80 until December 29, 2006.

Each of the 1,583,333 broker warrants issued in connection with the brokered private placement were exercisable at a price of CDN\$0.60 per unit until June 29, 2006. Each unit consisted of one common share and one-half of a share purchase warrant. Each

whole warrant entitles the holder to purchase one additional common share at a price of CDN\$0.80 until December 29, 2006.

On April 12, 2006, the Company completed a brokered private placement financing of 16,000,000 units at a price of CDN\$1.10 (\$0.96) for gross proceeds of CDN\$17,600,000 (\$15,333,682). Each unit consists of one common share and one-half of a share purchase warrant. Agents acted on behalf of the Company with respect to the offering and received a total cash commission equal to 6.0% of the gross proceeds of the offering and broker's warrants to purchase up to 960,000 units. The net proceeds of the financing of \$13,633,818 were allocated \$11,483,809 as to the common shares and \$2,150,009 as to the warrants. None of the warrants or broker warrants have been exercised.

Each of the 8,000,000 whole warrants issued on April 12, 2006 in connection with the brokered private placement entitles the holder to purchase one additional common share at a price of CDN\$1.50 until April 11, 2008.

Each of the 960,000 broker warrants issued on April 12, 2006 in connection with the brokered private placement are exercisable at a price of CDN\$1.10 per unit until April 11, 2008. Each unit consists of one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of CDN\$1.50 until April 11, 2008.

**(b) Warrants and Contributed Surplus**

**Warrants**

Warrants issued in connection with brokered private placement	\$ 1,324,567
Issue costs	<u>(224,715)</u>
	1,099,852
Broker warrants	<u>635,677</u>
Balance – December 31, 2004 and 2005	1,735,529
Exercise of warrants	(207,580)
Exercise of broker warrants	<u>(129,905)</u>
Balance – March 31, 2006	1,398,044
Warrants issued in connection with brokered private placement	2,418,072
Issue costs	(268,063)
Broker warrants	683,999
Exercise of warrants	(184,238)
Exercise of broker warrants	<u>(428,098)</u>
Balance – June 30, 2006	<u><u>\$ 3,619,716</u></u>

### Contributed surplus

Warrants and stock options issued prior to reverse takeover of the Company by Holdings	<u>\$ 79,823</u>
Balance – December 31, 2004	79,823
Stock-based compensation	<u>359,635</u>
Balance – December 31, 2005	439,458
Stock-based compensation	<u>66,852</u>
Balance – March 31, 2006	506,310
Stock-based compensation	<u>322,049</u>
Balance – June 30, 2006	<u><u>\$ 828,359</u></u>

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; (iv) contains other provisions to ensure the stock option plan is compliant with stock exchange regulations.

### Options

	<b>Number of Options</b>	<b>Weighted Average Exercise Price (CDN\$)</b>
<b>Balance – December 31, 2005 and June 30, 2006</b>	<u>3,930,500</u>	<u>\$1.05</u>

1,566,000 stock options were issued during the six months ended June 30, 2006. Each option entitles the holder to purchase one common share at a price of C\$1.35 until April 17, 2011. The unamortized stock option expense related to the grant of the options listed above at June 30, 2006 was \$559,185.

A summary of the Company's stock options at June 30, 2006 is presented below:

<b>Issue Date</b>	<b>Options Outstanding</b>	<b>Options Exercisable</b>	<b>Exercise Price (CDN\$)</b>	<b>Expiry Date</b>
February 28, 2003	72,500	72,500	\$1.50	February 28, 2008
December 22, 2003	75,000	75,000	\$4.50	December 22, 2008
January 6, 2005	1,485,000	1,113,750	\$0.70	January 6, 2010
March 4, 2005	40,000	30,000	\$0.70	March 4, 2010
April 21, 2005	121,000	60,500	\$0.74	April 21, 2010
August 24, 2005	100,000	50,000	\$0.70	August 24, 2010
September 27, 2005	471,000	235,500	\$0.70	September 27, 2010
April 18, 2006	1,566,000	391,500	\$1.35	April 17, 2011
	<u>3,930,500</u>	<u>2,059,000</u>		

The weighted average exercise price of these options is CDN\$1.05 for options outstanding and CDN\$0.99 for options exercisable. The weighted average remaining contractual life of outstanding options is 4.09 years.

## 7. Loss per share

The loss per share has been calculated using the weighted average number of shares outstanding during the period. No adjustments to diluted per share information was made as the result of these calculations are anti-dilutive.

	<b>Three Months Ended June 30, 2006</b>	<b>Three Months Ended June 30, 2005</b>	<b>Six Months Ended June 30, 2006</b>	<b>Six Months Ended June 30, 2005</b>
Loss	<u>\$ 16,621</u>	<u>\$ 843,642</u>	<u>\$ 283,065</u>	<u>\$ 1,139,197</u>
Weighted average shares outstanding	<u>34,106,712</u>	<u>25,740,963</u>	<u>39,047,385</u>	<u>25,740,963</u>
Loss per share	<u>Nil</u>	<u>\$ 0.03</u>	<u>\$ 0.01</u>	<u>\$ 0.04</u>

## 8. Related party transactions

The option on the Anocarire property were acquired from SBX Asesorias Inversiones Ltda. ("SBX"), a company that is 51% owned by a shareholder of the Company. During the three months ended June 30, 2006, the Company paid a total of \$75,360 to SBX for geological and administrative services. As well, 50% of the \$35,000 property payment on the Anocarire property was made to SBX.

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

## 9. Mineral property option agreements

The Company has entered into option agreements to purchase mineral properties in Chile with payments due as follows:

Property	2006	2007	2008	Total
Anocarire (a)	\$ -	\$ 390,000	\$ 3,000,000	\$ 3,390,000
Aroma	140,000	275,000	1,000,000	1,415,000
Encrucijada (b)	200,000	400,000	-	600,000
Volcan (c)	400,000	5,000,000	5,500,000(d)	10,900,000
	<u>\$ 740,000</u>	<u>\$ 6,065,000</u>	<u>\$ 9,500,000</u>	<u>\$ 16,305,000</u>

- (a) Subject to a net smelter return royalty of 0.75%.
- (b) A net smelter return of 1.5% is payable at a gold price less than or equal to \$380 per ounce or 2.0% at a gold price greater than \$380 per ounce. A net smelter return royalty of 0.75% is payable on copper production at a copper price of less than \$0.90 per pound. This royalty becomes 1.25% when the copper price exceeds \$0.90 per pound. The vendor retains the right to acquire a 60% interest in the properties, after completion of a feasibility study, by reimbursing the Company 200% of funds spent on the project.
- (c) Under the agreement, royalty payments are due as follows: \$5 per ounce for production between 2 million and 4 million ounces of gold. A net smelter return royalty of 1.0% is payable on production exceeding 4 million ounces of gold. There is no royalty payable on the first 2 million ounces of gold produced.
- (d) The final option payment on the Volcan property may be made in cash or shares of the Company. The number of shares issuable by the Company will be based on the trading price of the Company's shares.

None of the above properties have exploration expenditure commitments.

## 10. Segmented information

The Company has one operating segment, which is the exploration and development 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:

- (a) the Company's mineral properties in Chile;
- (b) the Quitovac property in Mexico;
- (c) corporate offices in Canada.

As at and for the period ended June 30, 2006, segmented information is presented as follows:

	Chile	Mexico	Corporate	Total
Cash	\$ 1,946	\$ -	\$ 736,462	\$ 738,408
Other current assets	47,339	-	15,082,183	15,129,522
Mineral properties and equipment	8,151,139	95,000	10,838	8,256,977
Total assets	<u>\$ 8,200,424</u>	<u>\$ 95,000</u>	<u>\$ 15,829,483</u>	<u>\$ 24,124,907</u>
Current liabilities	<u>\$ 144,834</u>	<u>\$ -</u>	<u>\$ 73,547</u>	<u>\$ 218,381</u>
Amortization Mineral properties written off	\$ 12,489	\$ -	\$ 1,839	\$ 14,328
Interest income	-	55,886	-	55,886
Other expenses	-	-	(126,121)	(126,121)
	630	-	338,342	338,972
Loss	<u>\$ 13,119</u>	<u>\$ 55,886</u>	<u>\$ 214,060</u>	<u>\$ 283,065</u>
Mineral property expenditures	<u>\$ 4,234,254</u>	<u>\$ 55,886</u>	<u>-</u>	<u>\$ 4,290,140</u>

## 11. Subsequent event

Subsequent to the end of the period the Company signed a letter of intent to enter into an option to purchase agreement with the Chilean subsidiary of Mena Resources Inc. (“Mena”) whereby Mena may acquire a 50% interest in the Company’s interest in the Pampa Buenos Aires property. Andina and Mena will prepare a definitive agreement formalizing the terms of the letter of intent during the third quarter of 2006. Upon signing of the definitive agreement, Mena will undertake to make all 2006 tax payments up to \$45,000 and undertake exploration expenditures of \$250,000 prior to August 1, 2007. Upon completion of its obligations, and prior to August 1, 2007, Mena may earn a 50% interest in the Pampa Buenos Aires property by issuing 300,000 common shares of Mena to the Company. At that time, the parties will form a joint venture, in the form of a Chilean contractual mining company, to continue exploration activities on the property.

## 12. Comparative figures

Certain comparative figures have been reclassified to conform with the current period’s consolidated financial statement presentation.