

Consolidated Financial Statements of
ANDINA MINERALS INC.

(An Exploration Stage Company)

For The Three and Six Months Ended

June 30, 2009

(in US\$)

(Unaudited)

ANDINA MINERALS INC.

(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

(in US\$)

As at	June 30, 2009	December 31, 2008
	<i>(Unaudited)</i>	<i>(Restated - Note 2(a))</i>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 22,577,575	\$ 15,809,283
Marketable securities (note 3)	157,988	150,859
Accounts receivable and prepaid expenses	64,810	268,185
	22,800,373	16,228,327
Mineral Properties (notes 4 and 5)	58,891,354	49,833,044
Property, Plant and Equipment (note 6)	29,642	17,072
Intangible Assets (notes 2(a) and 7)	26,582,786	26,582,786
	\$ 108,304,155	\$ 92,661,229
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 846,997	\$ 703,934
Common shares to be issued (note 4)	1,500,000	-
	2,346,997	703,934
SHAREHOLDERS' EQUITY		
Share Capital (note 8(a))	110,081,881	94,479,486
Warrants (note 8(b))	4,122,310	3,929,021
Contributed Surplus (note 8(c))	3,814,424	3,330,110
Deficit	(12,061,457)	(9,781,322)
	105,957,158	91,957,295
	\$ 108,304,155	\$ 92,661,229

Going Concern (note 1)**Subsequent Events (note 12)**

See accompanying notes to financial statements

ANDINA MINERALS INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in US\$)

(Unaudited)

	Three months ended		Six months ended		Cumulative since inception
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	
Expenses					
Salaries, benefits and director fees	\$ 422,033	\$ 391,934	\$ 1,075,227	\$ 555,146	\$ 2,790,894
Professional fees	85,037	74,996	148,759	143,667	884,081
Travel	81,691	37,970	142,830	72,391	498,425
Regulatory and shareholder information	72,523	117,920	129,324	179,384	703,057
Consulting fees	31,399	68,686	76,487	80,672	594,486
General and administrative	26,076	45,165	86,707	112,266	753,008
Unrealized loss (gain) on marketable securities held for trading (note 3)	(33,122)	-	(7,129)	-	98,606
Insurance	15,780	10,981	17,773	22,023	137,314
Amortization	1,870	1,037	3,173	2,079	63,334
Foreign exchange loss (gain)	(135,772)	50,351	154,153	418,113	14,707
Stock-based compensation (notes 8(c) and 11)	160,143	180,238	480,486	391,678	3,366,581
Mineral properties written off	-	1,027,959	-	1,027,959	4,991,556
	727,658	2,007,237	2,307,790	3,005,378	14,896,049
Interest income	7,911	155,990	27,655	329,780	2,212,413
Loss before income taxes	(719,747)	(1,851,247)	(2,280,135)	(2,675,598)	(12,683,636)
Future income tax recovery	-	-	-	-	622,179
Loss and comprehensive loss for the period	\$ (719,747)	\$ (1,851,247)	\$ (2,280,135)	\$ (2,675,598)	\$ (12,061,457)
Basic and fully diluted loss per share (note 9)	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.04)	

See accompanying notes to financial statements

CONSOLIDATED STATEMENTS OF DEFICIT

(in US\$)

(Unaudited)

	Three months ended		Six months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Deficit, beginning of period	\$ (11,341,710)	\$ (4,049,676)	\$ (9,781,322)	\$ (3,225,325)
Loss for the period	(719,747)	(1,851,247)	(2,280,135)	(2,675,598)
Deficit, end of period	\$ (12,061,457)	\$ (5,900,923)	\$ (12,061,457)	\$ (5,900,923)

See accompanying notes to financial statements

ANDINA MINERALS INC.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(in US\$)

(Unaudited)

	Three months ended		Six months ended		Cumulative since inception
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	
Cash provided by (used in)					
Operations					
Loss for the period	\$ (719,747)	\$ (1,851,247)	\$ (2,280,135)	\$ (2,675,598)	\$ (12,061,457)
Items not involving cash:					
Amortization	1,870	1,037	3,173	2,079	63,334
Unrealized foreign exchange loss (gain)	(261,572)	(27,834)	22,187	415,839	22,187
Stock-based compensation (<i>notes 8(c) and 11</i>)	160,143	180,238	480,486	391,678	3,366,581
Unrealized loss on marketable securities held for trading (<i>note 3</i>)	(33,122)	-	(7,129)	-	98,606
Mineral properties written off	-	1,027,959	-	1,027,959	4,991,556
Future income tax recovery	-	-	-	-	(622,179)
Change in non-cash working capital:					
Accounts receivable and prepaid expenses	403	24,829	203,375	607	(24,038)
Accounts payable and accrued liabilities	430,006	(32,283)	416,211	9,817	1,040,484
	(422,019)	(677,301)	(1,161,832)	(827,619)	(3,124,926)
Investing					
Mineral properties (<i>note 4</i>)	(2,563,281)	(6,988,998)	(5,012,103)	(12,821,472)	(42,631,284)
Option payments received and acquisition costs (<i>note 4</i>)	-	(94,665)	-	183,783	(9,006,508)
Property, plant and equipment	(15,743)	(21,942)	(15,743)	(21,942)	(232,249)
Cash acquired on reverse takeover (<i>note 1</i>)	-	-	-	-	271,547
	(2,579,024)	(7,105,605)	(5,027,846)	(12,659,631)	(51,598,494)
Financing					
Issuance of common shares and warrants for cash	12,622,581	-	12,622,581	-	53,694,798
Exercise of warrants (<i>note 8(b)</i>)	-	9,010,672	-	10,577,730	22,027,516
Exercise of options (<i>note 8(c)</i>)	2,286	-	357,576	462,545	1,456,514
Loans	-	-	-	-	144,354
	12,624,867	9,010,672	12,980,157	11,040,275	77,323,182
Change in cash and cash equivalents	9,623,824	1,227,766	6,790,479	(2,446,975)	22,599,762
Unrealized foreign exchange gain (loss)	261,572	27,834	(22,187)	(415,839)	(22,187)
Cash and cash equivalents, beginning of period	12,692,179	21,071,077	15,809,283	25,189,491	-
Cash and cash equivalents, end of period	\$ 22,577,575	\$ 22,326,677	\$ 22,577,575	\$ 22,326,677	\$ 22,577,575

Supplementary Cash Flow Information (*note 11*)

See accompanying notes to financial statements

ANDINA MINERALS INC.

(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US\$)

(Unaudited)

For the three and six months ended June 30, 2009

1. NATURE OF OPERATIONS AND GOING CONCERN BASIS OF ACCOUNTING

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

The Company is engaged in the business of acquiring, exploring and developing gold properties, with interests substantially in Chile. To date the Company has not earned any revenue and is considered to be in the exploration stage.

These financial statements have been prepared using Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, the Company is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage of development. These risks include, but are not limited to, the ability of the Company to secure adequate capital in view of exploration, development and operational risks inherent in the mining industry and global economic and gold price volatility. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that the Company's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The recoverability of the amounts shown for mineral properties is dependent upon the ability of the Company to obtain the necessary financing to complete the exploration and development and upon future profitable production or proceeds from the disposition of properties. The Company will have to raise additional funds to complete the development phase of its programs and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with Canadian GAAP. These unaudited interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2008. These unaudited interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in the Company's most recent annual consolidated financial statements, except as described in note 2.

2. NEW ACCOUNTING POLICIES

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

(a) Section 3064 - Goodwill and Intangible Assets

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

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

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(Unaudited)

For the three and six months ended June 30, 2009

2. NEW ACCOUNTING POLICIES (continued)

(b) 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.

(c) EIC-174 - Mining Exploration Costs

In March 2009, the CICA issued EIC-174, Mining Exploration Costs. This 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.

3. MARKETABLE SECURITIES

	June 30, 2009		December 31, 2008	
	Fair value	Cost	Fair value	Cost
Marketable securities - held for trading (note 4)	\$ 157,988	\$ 256,594	\$ 150,859	\$ 256,594

4. MINERAL PROPERTIES

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

On May 20, 2009, the Company acquired mineral concessions surrounding its Volcan property in Region III, Chile, from Barrick Gold Corporation for consideration \$4,160,400 paid through the issuance of 2,000,000 common shares valued at \$2,660,400, and a second instalment of common shares worth \$1,500,000 payable one year from closing, determined using the weighted average trading price of Andina common shares in the 20 trading days leading up to and ending on the trading day immediately prior to the one-year anniversary from closing, and a net smelter return royalty of 1.5% on any metals produced from the property should they be developed. The Company has recorded \$1,500,000 as common shares to be issued and has classified this as a current liability on the balance sheet and also incurred \$36,699 in share issuance costs related to the transaction.

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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For the three and six months ended June 30, 2009

4. MINERAL PROPERTIES (continued)

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

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

Property	Balance December 31, 2008 <i>(Restated - Note 2(a))</i>	Option payments and acquisition costs	Exploration costs	Development planning costs	Costs written off	Balance June 30, 2009
Encrucijada	\$ 743,248	\$ -	\$ 28,011	\$ -	\$ -	\$ 771,259
PBA	1,437,878	-	34,384	-	-	1,472,262
Volcan	47,651,918	4,160,400	4,488,684	346,831	-	56,647,833
	\$ 49,833,044	\$ 4,160,400	\$ 4,551,079	\$ 346,831	\$ -	\$ 58,891,354

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

Deferred Exploration Costs for the six months ended June 30, 2009								
Property	Drilling	Exploration staff	Trenching	Value added tax	Assaying	Field costs	Other	Total
Encrucijada	\$ -	\$ -	\$ -	\$ 34	\$ -	\$ 183	\$ 27,794	\$ 28,011
PBA	-	-	-	4	-	236	34,144	34,384
Volcan	1,527,895	1,034,181	130,897	528,360	83,966	388,307	795,078	4,488,684
	\$ 1,527,895	\$ 1,034,181	\$ 130,897	\$ 528,398	\$ 83,966	\$ 388,726	\$ 857,016	\$ 4,551,079

5. MINERAL PROPERTY COMMITMENTS

With respect to the Volcan property, there is no payment or royalty payable on the first 2 million ounces of gold produced from the Volcan property. A payment of \$5 per ounce is due on any mined ounces of gold between 2 million and 4 million ounces. A net smelter return royalty of 1.0% is payable on production exceeding 4 million ounces of gold. A net smelter return royalty of 1.5% is also payable on any metals produced from the mineral concessions acquired from Barrick Gold Corporation should they be developed (*note 4*). None of the Company's other properties have any payments or royalties payable on them.

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

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(in US\$)

(Unaudited)

For the three and six months ended June 30, 2009

6. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2009		
	Cost	Accumulated amortization	Net
Office equipment	\$ 48,666	\$ 19,024	\$ 29,642
	December 31, 2008		
	Cost	Accumulated Amortization	Net
Exploration equipment	\$ 143,856	\$ 143,856	\$ -
Office equipment	33,829	16,757	17,072
	\$ 177,685	\$ 160,613	\$ 17,072

7. INTANGIBLE ASSETS

	June 30, 2009	December 31, 2008
	Cost and net	Cost and net
Water rights	\$ 26,582,786	\$ 26,582,786

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

8. SHARE CAPITAL**(a) Common Shares**

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

Issued

	Number of shares	Capital stock
Balance - December 31, 2008	79,376,907	\$ 94,479,486
Shares issued for acquisition of mineral concessions (net of cash share issuance costs of \$36,699) (<i>note 4</i>)	2,000,000	2,623,701
Bought-deal private placement (net of cash share issuance costs of \$1,024,455)	10,350,000	12,659,280
2009 broker warrants	-	(193,289)
Shares issued on exercise of stock options	619,000	512,703
Balance - June 30, 2009	92,345,907	\$ 110,081,881

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US\$)

(Unaudited)

For the three and six months ended June 30, 2009

8. SHARE CAPITAL (continued)

(a) Common Shares (continued)

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\$15,525,000 (\$13,683,735). 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 \$203,431 of other cash share issuance costs in relation to the transaction.

On January 17, 2007, the Company entered into an agreement with a syndicate of underwriters under which the underwriters bought on a private placement, bought deal basis, 8,000,000 units at a price of CDN\$3.00 per unit for gross proceeds of CDN\$24,000,000 (\$20,470,829). This private placement financing closed on February 9, 2007. Each unit consisted of one common share and one-half of one common share purchase warrant. The underwriters received a total cash commission equal to 6.0% of the gross proceeds of the offering and broker warrants to purchase up to 240,000 units.

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

As at June 30, 2009, 310,500 of the 2009 broker warrants, 182,400 of the 2007 broker warrants and 3,768,700 of the 2007 warrants (including the 2007 warrants issuable on the exercise of the 2007 broker warrants) remain outstanding.

(b) Warrants

	Number of warrants	Number of broker warrants	Warrants
Balance - December 31, 2008	3,677,500	182,400	\$ 3,929,021
2009 broker warrants	-	310,500	193,289
Balance - June 30, 2009	3,677,500	492,900	\$ 4,122,310

During 2009 the following warrants were issued and valued using the Black-Scholes option pricing model parameters listed below (in each case with no dividends):

Issue date	Number of warrants	Exercise price (CDN\$)	Black-Scholes Option Pricing Parameters		
			Risk-free interest rate	Expected life	Volatility factor
June 16, 2009					
Broker warrants	310,500	\$1.50	1.04%	2.0	84%

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8. SHARE CAPITAL (continued)**(c) Contributed Surplus and Stock Options****Contributed Surplus**

Balance - December 31, 2008	\$ 3,330,110
Stock-based compensation (<i>note 11</i>)	639,441
Exercise of stock options	(155,127)
Balance - June 30, 2009	\$ 3,814,424

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

Stock Options

	Number of options	Weighted average exercise price (CDN\$)
Balance - December 31, 2008	5,550,000	\$ 1.64
Granted	1,980,000	1.38
Exercised	(619,000)	0.70
Expired or forfeited	(325,000)	1.74
Balance - June 30, 2009	6,586,000	\$ 1.64

The unamortized stock option expense related to the grant of the options listed above at June 30, 2009 was \$837,406.

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8. SHARE CAPITAL (continued)**(c) Contributed Surplus and Stock Options (continued)**

During the six months ended June 30, 2009, the following stock options were issued and valued using the Black-Scholes option pricing model parameters listed below (in each case with no dividends):

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

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

A summary of the Company's stock options at June 30, 2009 is presented below:

Issue date	Options outstanding	Options exercisable	Exercise price (CDN\$)	Weighted average remaining life (Years)
January 6, 2005	501,000	501,000	\$0.70	0.52
April 21, 2005	49,000	49,000	\$0.74	0.81
August 24, 2005	100,000	100,000	\$0.70	1.15
September 27, 2005	295,000	295,000	\$0.70	1.13
April 18, 2006	1,381,000	1,381,000	\$1.35	1.66
January 16, 2007	225,000	225,000	\$3.00	1.17
May 9, 2007	655,000	655,000	\$3.25	2.37
November 29, 2007	150,000	150,000	\$4.60	2.08
February 29, 2008	75,000	56,250	\$4.30	3.67
October 8, 2008	1,175,000	697,500	\$1.50	3.72
January 5, 2009	1,000,000	250,000	\$1.08	4.52
February 18, 2009	200,000	50,000	\$1.80	4.64
February 27, 2009	500,000	125,000	\$1.70	4.67
March 12, 2009	250,000	62,500	\$1.52	4.70
March 27, 2009	30,000	7,500	\$1.75	4.74
	6,586,000	4,604,750		

The weighted average exercise price of these options were CDN\$1.64 for options outstanding and CDN\$1.74 for options exercisable. The weighted average remaining contractual life of outstanding options is 2.87 years.

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9. LOSS PER SHARE

Loss per share have been calculated using the weighted average number of shares outstanding during the three and six months ended June 30, 2009 and 2008.

	Three months ended		Six months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Loss for the period	\$ (719,747)	\$ (1,851,247)	\$ (2,280,135)	\$ (2,675,598)
Basic and fully diluted weighted average number of shares outstanding during the period	82,488,918	74,926,360	81,141,839	70,244,452
Basic and fully diluted loss per share	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.04)

Fully diluted weighted average common shares outstanding during the three and six months ended June 30, 2008 and 2009 are not reflective of the outstanding stock options and warrants as their exercise would be anti-dilutive in the loss per share calculation.

10. SEGMENTED INFORMATION

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

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

As at and for the three and six months ended June 30, 2009 and 2008, segmented information is presented as follows:

As at June 30, 2009	Chile	Mexico	Corporate	Total
Cash and cash equivalents	\$ 5,820,432	\$ -	\$ 16,757,143	\$ 22,577,575
Other current assets	30,962	-	191,836	222,798
Mineral properties, intangible assets and property, plant and equipment	79,136,848	-	6,366,934	85,503,782
Total assets	\$ 84,988,242	\$ -	\$ 23,315,913	\$ 108,304,155
Current liabilities	\$ 684,663	\$ -	\$ 1,662,334	\$ 2,346,997
For the three months ended June 30, 2009				
Amortization	\$ -	\$ -	\$ (1,870)	\$ (1,870)
Interest income	-	-	7,911	7,911
Foreign exchange gain (loss)	(31,857)	-	167,629	135,772
Other expenses	-	-	(861,560)	(861,560)
Loss	\$ (31,857)	\$ -	\$ (687,890)	\$ (719,747)
Mineral property expenditures, option payments and acquisition costs	\$ 6,723,681	\$ -	\$ -	\$ 6,723,681

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US\$)

(Unaudited)

For the three and six months ended June 30, 2009

10. SEGMENTED INFORMATION (continued)

For the six months ended June 30, 2009	Chile	Mexico	Corporate	Total
Amortization	\$ -	\$ -	\$ (3,173)	\$ (3,173)
Interest income	-	-	27,655	27,655
Foreign exchange loss	(25,606)	-	(128,547)	(154,153)
Other expenses	-	-	(2,150,464)	(2,150,464)
Loss	\$ (25,606)	\$ -	\$ (2,254,529)	\$ (2,280,135)
Mineral property expenditures, option payments and acquisition costs	\$ 9,172,503	\$ -	\$ -	\$ 9,172,503

As at June 30, 2008	Chile	Mexico	Corporate	Total
Cash and cash equivalents	\$ 23,806	\$ -	\$ 22,302,871	\$ 22,326,677
Other current assets	10,211	-	37,300	47,511
Mineral properties, intangible assets and property, plant and equipment	73,527,539	161,414	19,460	73,708,413
Total assets	\$ 73,561,556	\$ 161,414	\$ 22,359,631	\$ 96,082,601
Current liabilities	\$ 579,448	\$ -	\$ 186,955	\$ 766,403

For the three months ended June 30, 2008	Chile	Mexico	Corporate	Total
Amortization	\$ -	\$ -	\$ (1,037)	\$ (1,037)
Interest income	-	-	155,990	155,990
Foreign exchange gain (loss)	(160,109)	-	109,758	(50,351)
Other expenses	-	-	(1,955,849)	(1,955,849)
Loss	\$ (160,109)	\$ -	\$ (1,691,138)	\$ (1,851,247)
Mineral property expenditures, option payments and acquisition costs	\$ 7,017,250	\$ 66,413	\$ -	\$ 7,083,663

For the six months ended June 30, 2008	Chile	Mexico	Corporate	Total
Amortization	\$ -	\$ -	\$ (2,079)	\$ (2,079)
Interest income	-	-	329,780	329,780
Foreign exchange gain (loss)	(23,150)	-	(394,963)	(418,113)
Other expenses	-	-	(2,585,186)	(2,585,186)
Loss	\$ (23,150)	\$ -	\$ (2,652,448)	\$ (2,675,598)
Mineral property expenditures, option payments and acquisition costs	\$ 12,571,276	\$ 66,413	\$ -	\$ 12,637,689

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US\$)

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For the three and six months ended June 30, 2009

11. SUPPLEMENTARY CASH FLOW INFORMATION

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

	Three months ended		Six months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Interest received during the year	\$ 7,911	\$ 155,990	\$ 27,655	\$ 329,780

Non-cash investing and financing activities include the following:

	Three months ended		Six months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Shares issued for water rights (<i>notes 2(a), 7 and 8(a)</i>)	\$ -	\$ 26,582,786	\$ -	\$ 26,582,786
Shares issued and to be issued for mineral concessions (<i>note 4</i>)	4,160,400	-	4,160,400	-
Stock-based compensation included in mineral properties	62,599	86,217	158,955	171,783
Amortization included in mineral properties	\$ -	\$ 14,653	\$ -	\$ 28,894

Cash and cash equivalents consist of the following:

	June 30, 2009	June 30, 2008
Cash	\$ 22,577,575	\$ 22,326,677

12. SUBSEQUENT EVENTS

- (a) 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.
- (b) Subsequent to the period end, 80,000 stock options were issued to an employee of the Company. The stock options were issued with an exercise price of CDN\$1.50 and an expiry date of August 12, 2014.

13. COMPARATIVE FIGURES

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