

Consolidated Financial Statements of
ANDINA MINERALS INC.

(An Exploration Stage Company)

For The Three and Nine Months Ended

September 30, 2009

(in US\$)

(Unaudited)

ANDINA MINERALS INC.

(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

(in US\$)

As at	September 30, 2009	December 31, 2008
	<i>(Unaudited)</i>	<i>(Restated - Note 2(a))</i>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 21,595,402	\$ 15,809,283
Marketable securities <i>(note 3)</i>	142,202	150,859
Accounts receivable and prepaid expenses	84,693	268,185
	21,822,297	16,228,327
Mineral Properties <i>(notes 4 and 5)</i>	60,827,835	49,833,044
Property, Plant and Equipment <i>(note 6)</i>	51,438	17,072
Intangible Assets <i>(notes 2(a) and 7)</i>	26,582,786	26,582,786
	\$ 109,284,356	\$ 92,661,229
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 913,618	\$ 703,934
Common Shares To Be Issued <i>(note 4)</i>	1,500,000	-
	2,413,618	703,934
SHAREHOLDERS' EQUITY		
Share Capital <i>(note 8(a))</i>	110,195,654	94,479,486
Warrants <i>(note 8(b))</i>	193,289	3,929,021
Contributed Surplus <i>(note 8(c))</i>	7,917,153	3,330,110
Deficit	(11,435,358)	(9,781,322)
	106,870,738	91,957,295
	\$ 109,284,356	\$ 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 INCOME (LOSS)

(in US\$)

(Unaudited)

	Three months ended		Nine months ended		Cumulative since inception
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008	
Expenses					
Salaries, benefits and director fees	\$ 254,707	\$ 180,332	\$ 1,329,934	\$ 735,478	\$ 3,045,601
General and administrative	140,315	79,526	244,795	213,815	1,030,637
Travel	82,012	49,503	224,842	121,894	580,437
Regulatory and shareholder information	15,191	41,936	182,239	289,549	1,001,261
Legal and audit	73,270	57,052	169,075	128,118	615,191
Consulting fees	65,124	82,692	156,841	167,736	718,757
Amortization	2,972	2,005	6,145	4,084	66,306
Stock-based compensation (<i>notes 8(c) and 11</i>)	144,736	130,633	625,222	522,311	3,511,317
Mineral properties written off	-	560,105	-	1,588,064	4,991,556
	778,327	1,183,784	2,939,093	3,771,049	15,561,063
Other income (expense)					
Foreign exchange gain (loss)	1,411,133	(666,083)	1,256,980	(1,084,196)	1,396,426
Interest income	9,079	124,249	36,734	454,029	2,221,492
Unrealized loss on marketable securities held for trading (<i>note 3</i>)	(15,786)	(39,530)	(8,657)	(39,530)	(114,392)
	1,404,426	(581,364)	1,285,057	(669,697)	3,503,526
Earnings (loss) before income taxes	626,099	(1,765,148)	(1,654,036)	(4,440,746)	(12,057,537)
Future income tax recovery	-	-	-	-	622,179
Earnings (loss) and comprehensive income (loss) for the period	\$ 626,099	\$ (1,765,148)	\$ (1,654,036)	\$ (4,440,746)	\$ (11,435,358)
Earnings (loss) per share (<i>note 9</i>):					
Basic	\$ 0.01	\$ (0.02)	\$ (0.02)	\$ (0.06)	
Fully diluted	\$ 0.01	\$ (0.02)	\$ (0.02)	\$ (0.06)	

See accompanying notes to financial statements

CONSOLIDATED STATEMENTS OF DEFICIT

(in US\$)

(Unaudited)

	Three months ended		Nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Deficit, beginning of period	\$ (12,061,457)	\$ (5,900,923)	\$ (9,781,322)	\$ (3,225,325)
Earnings (loss) for the period	626,099	(1,765,148)	(1,654,036)	(4,440,746)
Deficit, end of period	\$ (11,435,358)	\$ (7,666,071)	\$ (11,435,358)	\$ (7,666,071)

See accompanying notes to financial statements

ANDINA MINERALS INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in US\$)

(Unaudited)

	Three months ended		Nine months ended		Cumulative since inception
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008	
Cash provided by (used in)					
Operations					
Earnings (loss) for the period	\$ 626,099	\$ (1,765,148)	\$ (1,654,036)	\$ (4,440,746)	\$ (11,435,358)
Items not involving cash:					
Amortization	2,972	2,005	6,145	4,084	66,306
Mineral properties written off	-	560,105	-	1,588,064	4,991,556
Unrealized loss (gain) on foreign exchange	(1,481,765)	629,822	(1,459,578)	1,045,661	(1,459,578)
Unrealized loss on marketable securities held for trading (note 3)	15,786	39,530	8,657	39,530	114,392
Stock-based compensation (notes 8(c) and 11)	144,736	130,633	625,222	522,311	3,511,317
Future income tax recovery	-	-	-	-	(622,179)
Change in non-cash working capital:					
Accounts receivable and prepaid expenses	(19,883)	(43,841)	183,492	(43,234)	(43,921)
Accounts payable and accrued liabilities	(292,832)	51,494	123,379	61,311	747,652
	(1,004,887)	(395,400)	(2,166,719)	(1,223,019)	(4,129,813)
Investing					
Mineral properties (note 4)	(1,513,862)	(1,784,603)	(6,525,965)	(14,922,292)	(44,145,146)
Option payments received and acquisition costs (note 4)	-	-	-	500,000	(9,006,508)
Property, plant and equipment	(24,768)	-	(40,511)	(21,942)	(257,017)
Cash acquired on reverse takeover (note 1)	-	-	-	-	271,547
	(1,538,630)	(1,784,603)	(6,566,476)	(14,444,234)	(53,137,124)
Financing					
Issuance of common shares and warrants for cash	-	-	12,622,581	-	53,694,798
Exercise of warrants (note 8(b))	-	-	-	10,577,730	22,027,516
Exercise of options (note 8(c))	79,579	56,621	437,155	519,166	1,536,093
Loans	-	-	-	-	144,354
	79,579	56,621	13,059,736	11,096,896	77,402,761
Change in cash and cash equivalents	(2,463,938)	(2,123,382)	4,326,541	(4,570,357)	20,135,824
Unrealized foreign exchange gain (loss)	1,481,765	(629,822)	1,459,578	(1,045,661)	1,459,578
Cash and cash equivalents, beginning of period	22,577,575	22,326,677	15,809,283	25,189,491	-
Cash and cash equivalents, end of period	\$ 21,595,402	\$ 19,573,473	\$ 21,595,402	\$ 19,573,473	\$ 21,595,402

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 nine months ended September 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.

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(in US\$)

(Unaudited)

For the three and nine months ended September 30, 2009

2. NEW ACCOUNTING POLICIES (continued)

(a) Section 3064 - Goodwill and Intangible Assets (continued)

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*).

(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

	September 30, 2009		December 31, 2008	
	Fair value	Cost	Fair value	Cost
Marketable securities - held for trading (<i>note 4</i>)	\$ 142,202	\$ 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 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*).

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For the three and nine months ended September 30, 2009

4. MINERAL PROPERTIES (continued)

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 a 36 month period ending January 31, 2011. Upon completion of the exploration expenditures, the two companies may form a partnership to continue exploring the property with Hochschild owning a 51% interest and the Company having a 49% interest. Hochschild may increase its interest in the partnership to 60% by funding the first \$3,500,000 towards a feasibility study within 36 months of the formation of the partnership. Andina also retains a net smelter return royalty from Hochschild on the Encrucijada property, which varies based on the gold price.

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

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

Property	Balance December 31, 2008 <i>(Restated - Note 2(a))</i>	Option payments and acquisition costs	Exploration costs	Development planning costs	Costs written off	Balance September 30, 2009
Encrucijada	\$ 743,248	\$ -	\$ 30,103	\$ -	\$ -	\$ 773,351
PBA	1,437,878	-	41,853	-	-	1,479,731
Volcan	47,651,918	4,160,400	5,642,806	1,119,629	-	58,574,753
	\$ 49,833,044	\$ 4,160,400	\$ 5,714,762	\$ 1,119,629	\$ -	\$ 60,827,835

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

Property	Deferred Exploration Costs for the nine months ended September 30, 2009							Total
	Drilling	Exploration staff	Trenching	Value added tax	Assaying	Field costs	Other	
Encrucijada	\$ -	\$ -	\$ -	\$ 34	\$ -	\$ 183	\$ 29,886	\$ 30,103
PBA	-	-	-	4	-	291	41,558	41,853
Volcan	1,527,895	1,611,559	148,502	593,261	107,087	466,235	1,188,267	5,642,806
	\$ 1,527,895	\$ 1,611,559	\$ 148,502	\$ 593,299	\$ 107,087	\$ 466,709	\$ 1,259,711	\$ 5,714,762

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(in US\$)

(Unaudited)

For the three and nine months ended September 30, 2009

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.

6. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2009		
	Cost	Accumulated amortization	Net
Office equipment	\$ 73,434	\$ 21,996	\$ 51,438
	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

	September 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*).

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(Unaudited)

For the three and nine months ended September 30, 2009

8. SHARE CAPITAL

(a) Common Shares

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

Issued

	Number of shares	Capital stock
Balance - December 31, 2008	79,376,907	\$ 94,479,486
Shares issued 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) 2009 broker warrants	10,350,000 -	12,659,280 (193,289)
Shares issued on exercise of stock options	727,400	626,476
Balance - September 30, 2009	92,454,307	\$ 110,195,654

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 entitled 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 were exercisable at a price of CDN\$3.00 per unit until August 9, 2009. Each unit consisted of one common share and one-half of a common share purchase warrant. Each whole warrant entitled the holder to purchase one additional common share at a price of CDN\$4.00 until August 9, 2009. On August 9, 2009, 3,677,500 whole warrants and 182,400 broker warrants expired unexercised.

As at September 30, 2009, 310,500 of the 2009 broker warrants remain outstanding.

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(Unaudited)

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8. SHARE CAPITAL (continued)**(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
Expiry of 2007 warrants	(3,677,500)	-	(3,543,049)
Expiry of 2007 broker warrants	-	(182,400)	(385,972)
Balance - September 30, 2009	-	310,500	\$ 193,289

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%

(c) Contributed Surplus and Stock Options**Contributed Surplus**

Balance - December 31, 2008	\$ 3,330,110
Stock-based compensation (<i>note 11</i>)	847,343
Exercise of stock options	(189,321)
Expiry of 2007 warrants	3,543,049
Expiry of 2007 broker warrants	385,972
Balance - September 30, 2009	\$ 7,917,153

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.

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8. SHARE CAPITAL (continued)**Stock Options**

	Number of options	Weighted average exercise price (CDN\$)
Balance - December 31, 2008	5,550,000	\$ 1.64
Granted	2,060,000	1.38
Exercised	(727,400)	0.71
Forfeited	(332,500)	1.73
Balance - September 30, 2009	6,550,100	\$ 1.66

The unamortized stock option expense related to the grant of the options listed above at September 30, 2009 was \$571,002.

During the nine months ended September 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%
August 12	80,000	\$1.50	\$1.45	1.33%	2.5	78%
	2,060,000	\$1.38				

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

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8. SHARE CAPITAL (continued)

(c) Contributed Surplus and Stock Options (continued)

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

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		

The weighted average exercise price of these options were CDN\$1.66 for options outstanding and CDN\$1.73 for options exercisable. The weighted average remaining contractual life of outstanding options is 2.69 years.

9. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share have been calculated using the weighted average number of shares outstanding during the three and nine months ended September 30, 2009 and 2008.

	Three months ended		Nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Earnings (loss) for the period	\$ 626,099	\$ (1,765,148)	\$ (1,654,036)	\$ (4,440,746)
Basic weighted average number of shares outstanding during the period	92,353,683	79,360,240	84,920,190	73,283,048
Basic earnings (loss) per share	\$ 0.01	\$ (0.02)	\$ (0.02)	\$ (0.06)
Fully diluted weighted average number of shares outstanding during the period	93,150,639	79,360,240	84,920,190	73,283,048
Fully diluted earnings (loss) per share	\$ 0.01	\$ (0.02)	\$ (0.02)	\$ (0.06)

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

ANDINA MINERALS INC.

(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US\$)

(Unaudited)

For the three and nine months ended September 30, 2009

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:

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

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

As at September 30, 2009	Chile	Mexico	Corporate	Total
Cash and cash equivalents	\$ 681,196	\$ -	\$ 20,914,206	\$ 21,595,402
Other current assets	33,159	-	193,736	226,895
Mineral properties, intangible assets and property, plant and equipment	85,229,448	-	2,232,611	87,462,059
Total assets	\$ 85,943,803	\$ -	\$ 23,340,553	\$ 109,284,356
Liabilities	\$ 517,182	\$ -	\$ 1,896,436	\$ 2,413,618

For the three months ended September 30, 2009

Amortization	\$ -	\$ -	\$ (2,972)	\$ (2,972)
Interest income	-	-	9,079	9,079
Foreign exchange gain (loss)	(3,763)	-	1,414,896	1,411,133
Other expenses	-	(68,964)	(722,177)	(791,141)
Loss	\$ (3,763)	\$ (68,964)	\$ 698,826	\$ 626,099

Mineral property expenditures, option payments and acquisition costs	\$ 1,605,655	\$ -	\$ 352,623	\$ 1,958,278
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For the nine months ended September 30, 2009

	Chile	Mexico	Corporate	Total
Amortization	\$ -	\$ -	\$ (6,145)	\$ (6,145)
Interest income	-	-	36,734	36,734
Foreign exchange gain (loss)	(29,369)	-	1,286,349	1,256,980
Other expenses	-	(68,964)	(2,872,641)	(2,941,605)
Loss	\$ (29,369)	\$ (68,964)	\$ (1,555,703)	\$ (1,654,036)

Mineral property expenditures, option payments and acquisition costs	\$ 10,271,303	\$ -	\$ 757,854	\$ 11,029,157
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ANDINA MINERALS INC.

(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in US\$)

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For the three and nine months ended September 30, 2009

10. SEGMENTED INFORMATION (continued)

As at September 30, 2008	Chile	Mexico	Corporate	Total
Cash and cash equivalents	\$ 343,494	\$ -	\$ 19,229,979	\$ 19,573,473
Other current assets	219,832	-	286,419	506,251
Mineral properties, intangible assets and property, plant and equipment	74,597,205	-	17,393	74,614,598
Total assets	\$ 75,160,531	\$ -	\$ 19,533,791	\$ 94,694,322
Current liabilities	\$ 656,413	\$ -	\$ 238,478	\$ 894,891

For the three months ended September 30, 2008

Amortization	\$ -	\$ -	\$ (2,005)	\$ (2,005)
Interest income	-	-	124,249	124,249
Foreign exchange gain (loss)	24,433	-	(690,516)	(666,083)
Mineral properties written off	(398,691)	(161,414)	-	(560,105)
Other expenses	-	-	(661,204)	(661,204)
Loss	\$ (374,258)	\$ (161,414)	\$ (1,229,476)	\$ (1,765,148)
Mineral property expenditures, option payments and acquisition costs	\$ 1,784,603	\$ -	\$ -	\$ 1,784,603

For the nine months ended September 30, 2008

Amortization	\$ -	\$ -	\$ (4,084)	\$ (4,084)
Interest income	-	-	454,029	454,029
Foreign exchange gain (loss)	1,283	-	(1,085,479)	(1,084,196)
Mineral properties written off	(1,426,650)	(161,414)	-	(1,588,064)
Other expenses	-	-	(2,218,431)	(2,218,431)
Loss	\$ (1,425,367)	\$ (161,414)	\$ (2,853,965)	\$ (4,440,746)
Mineral property expenditures, option payments and acquisition costs	\$ 14,355,878	\$ 66,414	\$ -	\$ 14,422,292

11. SUPPLEMENTARY CASH FLOW INFORMATION

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

	Three months ended		Nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Interest received during the year	\$ 9,079	\$ 124,249	\$ 36,734	\$ 454,029

ANDINA MINERALS INC.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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For the three and nine months ended September 30, 2009

11. SUPPLEMENTARY CASH FLOW INFORMATION (continued)

Non-cash investing and financing activities include the following:

	Three months ended September 30, 2009		September 30, 2008		Nine months ended September 30, 2009		September 30, 2008	
Shares issued for water rights (notes 2(a), 7 and 8(a))	\$	-	\$	-	\$	-	\$	26,582,786
Marketable securities acquired as property payment for PBA (notes 3 and 4)		-		256,594		-		256,594
Shares issued and to be issued for mineral concessions (note 4)		-		-		4,160,400		-
Stock-based compensation included in mineral properties		63,167		61,126		222,121		232,909
Amortization included in mineral properties	\$	-	\$	13,210	\$	-	\$	42,104

Cash and cash equivalents consist of the following:

	September 30, 2009		September 30, 2008	
Cash	\$	21,595,402	\$	19,573,473

12. SUBSEQUENT EVENTS

- (a) On November 3, 2009, the Company announced that it had entered into an agreement with a syndicate of underwriters who 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 subject to the Company receiving all necessary regulatory approvals, including the approval of the TSX Venture Exchange.

- (b) Subsequent to the period end, 502,600 stock options were exercised for cash proceeds of \$363,534 and 1,875 stock options were forfeited.

13. COMPARATIVE FIGURES

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