

EARLY WARNING REPORT

**Made Pursuant To
Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids* and
National Instrument 62-103 – *The Early Warning System and Related Take-Over bid and
Insider Reporting Issues***

**RELATING TO THE ACQUISITION OF SECURITIES IN THE CAPITAL OF
OROANDES RESOURCE CORP.**

The undersigned hereby certifies:

1. Name and address of offeror:

Sandy MacDougall
412 Selman Street
Coquitlam, BC V3K 6H8

2. The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file this Report, and whether it was ownership or control that was acquired in those circumstances:

On March 23, 2010, the offeror acquired ownership of 750,000 Units of OroAndes Resource Corp. (the "Issuer"), each Unit consisting of one common share in the capital of the Issuer and one share purchase warrant, each warrant entitling the offeror to purchase one common share in the capital of the Issuer at a per share price of \$0.105 until March 23, 2015. The 750,000 common shares acquired represent 2.78% of the Issuer's issued and outstanding common shares.

3. The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence:

Subsequent to the acquisition referred to in item 2 above, the offeror owns, directly and indirectly, and exercises control or direction over an aggregate 3,248,120 common shares in the capital of the Issuer representing 12.06% of the Issuer's issued and outstanding common shares, as well as warrants and options entitling him to purchase an aggregate of 1,830,000 common shares in the capital of the Issuer; or, assuming exercise by the offeror of all of his outstanding options and warrants, an aggregate 5,078,120 common shares representing 17.66% of the Issuer's then issued and outstanding common shares on a partially diluted basis.

- 4. Value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence:**

\$0.08 per Unit.

- 5. Name of the market in which the transaction or occurrence took place:**

Not applicable; see item 9 below.

- 6. The purpose of the offeror and any joint actors in effecting the transaction or occurrence, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The securities were acquired for investment purposes by the offeror. The offeror intends to evaluate these security holdings and to increase or decrease the investment as circumstances warrant.

- 7. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Not applicable.

- 8. The names of any joint actors in connection with the disclosure required herein:**

Not applicable.

- 9. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror:**

The offeror paid \$60,000 to the Issuer pursuant to the terms of a Subscription Agreement between the offeror and the Issuer in connection with a private placement.

- 10. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities:**

Not applicable.

11. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance:

Mr. MacDougall is an executive officer and a director of the Issuer and relied on the exemption found in section 2.5(1) (Friends, family and business associates) of National Instrument 45-106 – *Prospectus and Registration Exemptions*.

Dated: March 23, 2010.

“Sandy MacDougall”
Sandy MacDougall