



The following Management Discussion & Analysis, prepared as of March 26, 2010, should be read in conjunction with:

1. The audited financial statements for the year ended April 30, 2009 and related notes attached thereto which are prepared in accordance with Canadian generally accepted accounting principles; and
2. The unaudited financial statements for the nine months ended January 31, 2010 and the related notes thereto.

All amounts are stated in Canadian dollars unless otherwise indicated.

Caution on Forward-looking Statements and Information

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties which could cause actual results to vary considerably from these statements. Management's discussion and analysis may contain forward-looking statements, including statements regarding the business and anticipated financial performance of the Company. These statements are not guarantees of the Company's future performance. Given the uncertainties associated with forward-looking information, readers are cautioned not to put undue reliance on forward-looking information.

Additional information related to the OroAndes Resource Corp. is available for view on SEDAR at www.sedar.com <<http://www.sedar.com>>.

1. Nature of Operations and Overall Performance

Description of the Business and Summary of Activities

OroAndes Resource Corp. (the "Company") is incorporated under the Canada Business Corporations Act and its common shares are listed on the TSX Venture Exchange ("TSX-V"), under the symbol "OAR" and on the Frankfurt Stock Exchange under the symbol "WL3".

The Company is a junior mineral exploration company engaged in the acquisition, evaluation and exploration, if warranted, of mineral properties in North and South America. Currently the Company owns or has option agreements on properties located in British Columbia. To date the Company has not earned any production revenues, has not found any proven reserves and is considered to be in the exploration stage.

Management continues to actively explore various business and financing alternatives.

Resource Properties

During the quarter ended January 31, 2010, and the subsequent period to the date of this MD&A, the Company has received a number of mineral property projects for review. To date no decision has been taken on any of these properties. During the period there have been no further changes to its operations. The properties in Colombia and Ecuador were abandoned in previous periods and there have been minimal expenditures on its Canadian property. Therefore, the information provided below is largely a repetition of the information provided in the October 31, 2009 Management Discussion and Analysis.

A. Canada

On September 28, 2009 the Company entered into an Option Agreement to acquire a 60% interest in 4 mineral claims covering 1,841 hectares in the Omineca Mining Division, British Columbia (the "Kilometre 26 Gold Project"). Consideration includes \$107,500, payable over three years, of which \$7,500 was paid on execution of the Agreement). The Company is also required to issue an aggregate of 275,000 shares of the Company over three years (25,000 shares were issued on January 5, 2010) and fund \$1,575,000 on exploration on the property over 4 years. The vendor of the property has a director in common with the Company. The Company received regulatory approval for this acquisition on December 17, 2009.

The Kilometre 26 gold project is situated on the postulated main break of the Pinchi Fault, one of the pre-eminent structural features in central British Columbia, extending in a north-south orientation for more than 450 kilometres. The Pinchi Fault is often cited as being analogues to the Melones fault located in the Motherlode district in California. In the Motherlode district California ultramafic rocks, often serpentinized, are frequently spatially associated with gold mineralization with in excess of 100 million ounces of gold having been produced in the nineteenth and twentieth centuries.

The Kilometre 26 property was staked to cover the area where, in 1983, Cominco discovered a large quartz-ankerite-mariposite boulder (altered serpentinite) which repeatedly graded approximately 8 grams per tonne gold.



During the months of October and November, the Company began the first phase of work on the Kilometre 26 gold property. Work completed included the establishment of 18.5 kilometres of cut line and the collection of approximately 300 soil and rock samples. This work will be utilized to define drill targets along the fault trace both north and south of the discovery boulder. The Kilometre 26 claims occupy a flat well treed landscape with virtually no rock outcrop. Induced polarization surveying to define drill targets is planned for 2010 exploration program.

B. Colombia

Alto El Toro Gold Project, Department of Tolima

On March 28, 2008 the Company entered into an Option Purchase Agreement to acquire certain mining concession contracts and mining licenses (the "Properties") in the Department of Tolima, Colombia. Consideration payable to acquire a 100% interest in the Properties was \$10,250,000 plus certain annual bonus payments until the final payment is completed. The \$10,250,000 was payable 10% on completion of due diligence by the Company on or before May 27, 2008 (paid) and 15% each six months thereafter until paid in full. Further, an annual \$100,000 bonus payment was due at the end of each year until the final 15% payment is completed. Vendors retained the right to continue mining operations on the Property, with specific limitations of mining activity, until the final payment was completed. The Company was to receive 5% of the net proceeds from the mining operations conducted by the Vendors.

In November 2008 the terms of the Option Agreement were renegotiated whereby \$537,500 of the November 28, 2008 payment was deferred, reducing the payment to \$1,000,000 and the May 28, 2009 payment of \$1,537,500 was deferred in its entirety. The total deferred amount, totaling \$2,075,000, was to be added in four equal amounts of \$518,750 to each of the four remaining payments, commencing November 2009. Consideration given by the Company to obtain the deferrals was to forgo its 5% profit from the mine production during the option period.

In November 2009 the Company made an offer to immediately acquire the 100% interest in the Alto El Toro property. As announced on November 30, 2009, the vendors did not accept the offer and the Company determined it would not raise the funds required to make the payment of \$2,056,250 due on November 28, 2009. The Company's representatives in Colombia have sent a letter to the vendors of the property outlining certain instances of non-compliance by the vendors with the terms of the agreement and requesting a resolution to the various issues. The Company has also indicated to the vendors of the project that it will commence legal action if they attempt to sell the property to a third party without these various issues being resolved. In light of the foregoing the Company may be in default of the agreement and as a result the carrying value of the property has been written-down to \$Nil.

C. Ecuador

Due to the uncertainty of the mining law in Ecuador, in April 2008, the Company wrote-down the carrying value of its Ecuador properties to a nominal value. During the year ended April 30, 2009 management continued to evaluate its investment in Ecuador and in March 2009 concluded the Company would abandon its remaining concessions in Ecuador and wrote-off the balance of the carrying value of those properties.

Other Information

The Company was served with a statement of claim by Prometheus Holdings Ltd. ("Prometheus"), a company owned by Keith Barron, in connection with a deposit of \$100,000 that was paid by Prometheus to the Company for a transaction that eventually did not proceed. The Company's management is of the view that the deposit in question was non-refundable and that the lawsuit is frivolous. The Company is taking vigorous steps to defend it and possibly commence a counterclaim. The potential of loss to the Company, or the amount of such loss, is not determinable at this time.



2. Selected Annual Information

The following table provides a brief summary of the Company's financial operations for each of the last three completed fiscal years. For more detailed information refer to the Company's audited financial statements for the specific periods.

	Year ended April 30, 2009	Year ended April 30, 2008	Year ended April 30, 2007
Total Revenue	\$ NIL	\$ NIL	\$ NIL
Loss from operations	\$ (1,560,888)	\$ (3,700,726)	\$ (431,944)
Income from discontinued operations	\$ -	\$ 30,852	\$ 24,270
Loss for the year	\$ (1,560,888)	\$ (3,673,874)	\$ (407,674)
Basic and diluted earnings (loss) per share			
From continuing operations	\$ (0.070)	\$ (0.269)	\$ (0.046)
From discontinued operations	\$ 0.000	\$ 0.002	\$ 0.003
Total for the year	\$ (0.070)	\$ (0.267)	\$ (0.043)
Total assets	\$ 4,679,360	\$ 2,618,374	\$ 3,033,136
Total long-term liabilities	\$ NIL	\$ NIL	\$ NIL
Cash dividends declared	\$ NIL	\$ NIL	\$ NIL

3. Results of Operations

Throughout the first six months of the current fiscal year, the Company continued with its care and maintenance program on its Alto El Toro project, renegotiation of the terms of the Alto El Toro agreement (see Section 1A) and identification of other property acquisition targets

Significant expenditures and variations of expenditures incurred during the nine months ended January 31, 2010, as compared to the period ended October 31, 2008 include:

- **Management Fees - 2010: \$102,528 / 2009: \$104,856;** the Company has entered into a Management Consulting Agreement with Argentum Capital Ltd ("Argentum") and Sandy MacDougall ("MacDougall") whereby Argentum will provide MacDougall to perform the services of President and Chief Executive Officer of the Company. During the nine months ended January 31, 2010 the Company incurred management fees of \$63,000 (2009 - \$63,000) related to the Argentum agreement plus \$39,528 (2009 - \$41,856) paid to the Company's Colombian country manager. The Colombian country manager was terminated effective December 31, 2009.
- **General administration - 2010: \$98,927 / 2009: \$195,073:** The primary components of general administration expenses are bank charges, interest and financing charges - \$44,792 (2009 - \$16,927), shareholder communications - \$5,350 (2009 - \$109,591), rent - \$28,842 (2009 - \$32,430) and telephone - \$12,766 (2009 - \$14,197). The remainder is comprised of insurance and office expenses.

Bank charges, interest and financing charges for the period ended January 31, 2010 is primarily comprised of the value of bonus shares issued to a related party as consideration for advancing the Company a \$100,000 loan (\$44,000). The balance of the 2010 cost is bank charges. The entire cost for the period ended January 31, 2009 is bank charges, \$14,455.

2010 shareholder communications expense are comprised primarily of subscription, printing and web-site related costs. 2009 Shareholder communication expense is comprised of a consulting contract which was terminated during the period, in the amount of \$87,268 (including web site development, investor relations and preparation of shareholder and investor relations materials), mailing related costs (\$10,911) and other sundry items (\$11,412).

On June 9, 2008, the Company entered into a lease for office premises for a term of five years commencing October 1, 2008 for annual rent of \$24,600 plus operating costs.

- **Professional Fees - 2010: \$193,866 / 2008: \$228,074;** For the nine months ended January 31, 2010 the Company incurred \$67,050 (2009 - \$104,400) for accounting and audit fees, including \$30,700 (2009 - \$35,000) for audit fees related to the 2009 audit and accruals for the 2010 audit and \$36,350 (2009 - \$69,400) for bookkeeping and preparation of quarterly financial statements (including \$14,987; 2009 - \$42,762 paid to a company related to the Company's Chief Financial Officer for his services).

For the nine month period ended January 31, 2010 the Company incurred \$126,996 (2009 - \$123,674) for



legal fees related to renegotiating and drafting of property acquisition agreement, defense of a law suit, quarterly filings, corporate restructuring of the Company's Colombia operations and general corporate matters.

- **Salaries and benefits - 2010: \$86,955 / 2009: \$424,394;** The Company currently employs two individuals, including Scott Lesage, a director of the Company, to manage the day to day operations of the Company. Mr. Lesage is paid a monthly salary of \$5,000 plus benefits.

In addition to salary and related benefits in the comparative period ended October 31, 2009 the Company incurred stock-based compensation expense (related to the valuation of incentive stock options issued to directors and officers vesting during the period, in the amount of \$316,000. The fair value of options granted during the period were estimated using the Black-Scholes option pricing model. Weighted average assumptions used in the model are as follows: Average risk-free interest rate – 3.37%; Expected life – 4.90 years; Expected volatility – 183%; and Expected dividends - \$NIL.

- **Travel and meetings - 2010: \$67,509 / 2009: \$218,314;** During the current period, the Company has substantially reduced travel costs to basic levels required for the maintenance of the Company, including evaluation of mineral property prospects. As a result of the Company's focus on exploration and development of mineral properties in South America in the prior period, travel expenses incurred in the 2009 period were in support of project evaluation and potential financing sources related to South American properties.
- **Write-off of mineral property interests - 2010: \$4,237,319) / 2008: \$132,622;** The write-off of mineral property costs for the period ended January 31, 2010 is comprised of:
 - During the fiscal quarter ended October 31, 2009 the Company's offer to the vendors of Alto El Toro property to immediately acquire the 100% ownership interest in the property was rejected by the vendors. The Company determined it would not raise the funds necessary to make the \$2,075,000 payment due on November 28, 2009. As a result of not making the payment the Company may be in default of the option agreement for the property. Therefore, the Company's management has elected to write-down the carrying value of the Alto El Toro property. The total amount written-off was \$4,429,427, including \$4,397,435 of mineral property acquisition and exploration costs and \$31,992 of capital asset value written-down.
 - In the fiscal quarter ended October 31, 2009, the Company wrote-off a payable, in the amount of \$192,108, accrued for payment of costs related to the Ecuador properties. Management has determined the accrued amounts are not payable by the Company.

The 2009 write-off of mineral property interests is comprised of amounts related to agreements the Company entered into in 2008 and 2007 to acquire mining concessions or options to acquire mining concessions in Ecuador. As detailed in management discussion and analysis for prior periods, on April 18, 2008 the government of Ecuador issued a decree immediately stopping all exploration and mining activity in the country and cancelled/suspended the existing mining law. In addition, the government cancelled certain mining concessions, none of which were owned by the Company, due to non-payment of patent taxes and indicated potential cancellation of certain mining concessions for late payment of patent taxes, including certain concessions owned or optioned by the Company. Subsequently, the government announced a new mining law would be drafted and presented for consideration by the legislative assembly by September 28, 2008.

The actions taken by the government of Ecuador, including the threatened cancellation of mining concessions, have created uncertainty as to the future ownership and/or viability of the Company's owned or optioned mining concessions. As a consequence the Company has enacted the force-majeure clause in the option agreements and has notified each Optionor that no further payments will be advanced under the agreements until the current mining law uncertainty has been rectified.

In the period ended January 31, 2009, the Company wrote-off \$132,622 of costs related to property acquisition and other expenditures required to be expended during the year pursuant to acquisition agreements and written-off by the Company during the same period.



4. Summary of Quarterly Results

	January 31, 2010	October 31, 2009	July 31, 2009	April 30, 2009
Total Revenue	\$ -	\$ -	\$ - ⁽¹⁾	\$ -
Net Income (Loss)	\$ (236,529)	\$ (4,577,335)	\$ 35,536	\$ (245,586)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.20)	\$ 0.00	\$ (0.01)

(1) No revenue was earned in the period; however, the Company recorded a recovery of expenses recorded in prior periods.

	January 31, 2009	October 31, 2008	July 31, 2008	April 30, 2008
Total Revenue	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	\$ (188,490)	\$ (354,011)	\$ (772,801)	\$ (2,990,121)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.200)

5. Liquidity

The Company's historical capital needs have been met by issuance of shares. As at January 31, 2010, the Company's working capital deficiency was \$400,924 (April 30, 2009 – working capital deficiency of \$74,546). The Company proposes to meet any additional financing requirements through equity financing. Due to the current status of equity markets raising additional capital may be difficult or not possible. The Company is in the business of exploring its mineral property interests and does not generate any cash from operations. Without the ability to attract additional equity funding the Company:

- Will not have the working capital necessary to fund current operations though the fiscal year 2010;
- Will not be able to expend any funds on exploration activities and may not be able to maintain its mineral property interest;
- Has additional liquidity risks associated with financial instruments where trading volumes have declined; and
- Will have a working capital deficiency, resulting in the Company's inability to meet obligations as they come due.

The Company's cash position as at January 31, 2010 was \$11,166 (April 30, 2009 - \$200,405). The net change in cash position compared to April 30, 2009 was as a result of completion of a private placement resulting in the receipt of \$83,467 net proceeds, plus the receipt of \$25,000 of share subscriptions related to a private placement financing completed subsequent to the period end, plus recovery of \$192,108 mineral property expenditures, plus \$100,000 loan proceeds, less \$77,092 expended on mineral property acquisition and exploration and \$500,410 expended on operating activities.

Subsequent to January 31, 2010 the Company has received \$220,000 net proceeds from a non-brokered private placement.

The Company has no long-term debt.

Future cash requirements will depend primarily on the extent of future exploration programs. Subsequent phases will depend, both on cost and duration, and on results from previous phases, and it is therefore extremely difficult to predict future cash requirements. At the date of this report, the Company does not have sufficient cash to maintain its current properties nor to carry out any exploration program. The Company will require additional financing or proceeds from sale or joint venture of properties.

The Company is dependent on raising funds by the issuance of shares or disposing of interests in its unproven mineral interests (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and development of mineral interests and meet general and administrative expenses beyond one year in the future. There can be no assurance that the Company will be successful in raising the required financing.



The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fully explore its existing properties. Failure to obtain financing could result in delays or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in certain properties. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the costs required to complete recommended programs.

The Company's consolidated financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than carrying values. The continuation of the Company as a going concern is dependent on its ability to obtain additional equity capital to finance existing operations, attaining commercial production from its mineral properties, and attaining future profitable operations. The Company's consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

6. Capital Resources

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions, the Company's ability to achieve certain exploration milestones and its ability to acquire new properties. Current market conditions do limit the potential to raise additional funding.

Authorized Share Capital is an unlimited number of common shares without par value. Issued and outstanding common shares as at January 31, 2010 were 24,180,101 (April 30, 2009 – 23,306,101).

During the nine month period ended January 31, 2010 the Company issued 874,000 common shares as follows:

- 449,000 common shares pursuant to a non-brokered private placement of 449,000 Units at \$0.20 per Unit. Each Unit was comprised of 449,000 common shares and 449,000 share purchase warrants entitling the holder to purchase 449,000 common shares at a price of \$0.20 for two years;
- 25,000 common share pursuant to a mineral property acquisition agreement, the fair value of these shares, being the trading price on the date of issue, was \$1,500, and
- 400,000 common shares as bonus shares pursuant to a loan agreement, the fair value of these shares, being the trading price on the date of issue, was \$44,000

On March 23, 2010 the Company closed a non-brokered private placement of 2,750,000 Units at a price of \$0.08 per Unit for gross proceeds of \$220,000. Each Unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at an exercise price of \$0.105 until March 23, 2015. No finder's fees were paid in respect of this financing.

As at January 31, 2010, the Company had 8,500,077 warrants outstanding. The warrants are exercisable 4,593,652 at \$0.72 per share until May 12, 2010, 3,457,425 at \$1.00 per share until September 22, 2010 and 449,000 at \$0.20 per share until January 5, 2012.

As at January 31, 2010 the Company had 1,150,000 share purchase options outstanding, of which all are fully vested. This number was comprised of:

- 125,000 stock options issued on September 8, 2006. The options are exercisable to September 8, 2011 at an exercise price of \$0.60 per share;
- 575,000 options exercisable at \$0.80 per share, expiring February 1, 2013 with all options vested;
- 400,000 stock options issued on April 3, 2008 exercisable at \$0.48 per share until April 3, 2013, with all options vested;
- 40,000 stock options issued on July 9, 2008 exercisable at \$1.10 per share until July 9, 2013 with all options vested; and
- 10,000 stock options issued on July 9, 2008 exercisable at \$1.10 per share until July 9, 2010 with all options vested.

On March 1, 2010 the Company issued 1,200,000 share purchase options, exercisable at \$0.08 for five years



While there can be no guarantee that option holders will exercise their options, any such option exercises that do occur would provide additional funding to the Company.

Deployment of Capital by Segment

The Company's one reportable operating segment is the exploration and development of mineral properties, except for its discontinued operations which are disclosed at Note 3. Geographic information is as follows:

As at January 31, 2010				
	Canada	Colombia	Ecuador	Total
Current Assets	\$ 41,249	\$ 145	\$ 136	\$ 41,530
Mineral Property & Deferred Exploration	\$ 77,092	\$ -	\$ -	\$ 77,092
Property & Equipment	\$ 3,321	\$ 24,322	\$ -	\$ 27,643
Current Liabilities	\$ 388,788	\$ 29,646	\$ 19,079	\$ 437,512
Income (Loss) from Continuing Operations	\$ (516,069)	\$ (4,279,496)	\$ (9,814)	\$ (4,805,379)

As at April 30, 2009				
	Canada	Colombia	Ecuador	Total
Current Assets	\$ 229,610	\$ 16,726	\$ 314	\$ 246,650
Mineral Property & Deferred Exploration	\$ -	\$ 4,081,902	\$ -	\$ 4,081,902
Property & Equipment	\$ 14,873	\$ 335,935	\$ -	\$ 350,808
Current Liabilities	\$ 292,955	\$ 14,631	\$ -	\$ 321,196
Nine months ended January 31, 2009				
Loss from Continuing Operations	\$ (1,055,361)	\$ (94,457)	\$ (167,527)	\$ (1,317,345)

7. Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements.

8. Transactions with Related Parties

The following table summarizes the Company's related party transactions:

	January 31, 2010	January 31, 2009
Goods or services rendered:		
Management fees paid to a company controlled by a director	\$ 63,000	\$ 63,000
Professional fees paid or accrued to a company controlled by the family of an officer	\$ 29,093	\$ 42,762
Legal fees paid or accrued to a director	\$ 49,887	\$ 63,234
Geological consulting fees paid to a director, capitalized to Mineral Properties and Deferred Exploration	\$ -	\$ 147,273
Payments regarding mineral property interest, pursuant to a property option agreement, to a company having a common director, including the issuance of 25,000 common shares valued at \$1,500	\$ 9,000	\$ -
Paid mineral exploration costs to a company having a shareholder who is a director of the Company	\$ 68,092	\$ -
Issued 400,000 shares to a company controlled by two Company directors as bonus payment for a loan advance	\$ 44,000	\$ -

Amounts due to related parties as at January 31, 2010 are summarized as follows:

	January 31, 2010	April 30, 2009
Due to directors	\$ 94,725	\$ 33,221
Accounts payable include amounts due to a company controlled by a family member of an officer	\$ 13,317	\$ 5,000
Note payable to Company controlled by two directors	\$ 100,000	\$ -
Due to a company having a shareholder who is a director of the Company	\$ 51,947	\$ -

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value of services.

9. Fourth Quarter

Not applicable.

10. Proposed Transactions

The Company has no specific proposed transactions. However, consistent with the nature of the Company's operations, the Company is continuously reviewing potential mineral property acquisitions and is likely to acquire additional mineral properties in the future.

11. Critical Accounting Estimates

The Company's discussion and analysis of its financial condition and results of operations, including the discussion on liquidity and capital resources, are based on its financial statements that have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management re-evaluates its estimates and judgments, particularly those related to the determination of the impairment of long-lived assets. Management bases its estimates and judgments on historical experience, contractual arrangements and commitments and on various other assumptions that it believes are reasonable in the circumstances. Changes in these estimates and judgments will impact the amounts recognized in the consolidated financial statements, and the impact may be material. Management believes significant estimates and assumptions include those related to the recoverability of mineral properties and deferred exploration expenditures, estimated useful lives of capital assets, determination as to whether costs are expensed or deferred and asset retirement obligations.

Critical accounting estimates used in the preparation of the financial statements include the assumption the Company is a going concern, recoverable value of its mineral properties, asset retirement obligations, valuation of stock-based compensation and future income taxes. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

Going Concern

The Company's consolidated financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has experienced recurring losses, has not generated profitable operations since inception and as at April 30, 2009 has accumulated losses of \$8,817,620 since inception. Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than carrying values. The continuation of the Company as a going concern is dependent on its ability to obtain additional equity capital to finance existing operations, attaining commercial production from its mineral properties, and attaining future profitable operations. The Company's financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management is currently in a number of discussions regarding the future financing and exploitation of the Company's mineral property assets. At this time, it is management's belief that the Company will continue as a going concern and will realize value on its assets.

Mineral resource properties

The Company records its interest in mineral resource properties at cost. Direct costs relating to the acquisition, exploration and development of mineral properties, less recoveries, are deferred until such time as the properties are either put into commercial production, sold, determined not to be economically viable or abandoned.

If the property is placed into production, deferred costs would be amortized over the estimated life of the mineral property. The deferred costs would be written off if the property is sold or abandoned. If it is determined that the carrying value of a property exceeds its net recoverable amount as estimated by management, or exceeds the

selling value of the property, a provision is made for the decline in value and charged against operations in the year of determination of value.

The amounts shown for mineral resource properties and related deferred costs represent costs incurred to date, less write-offs and recoveries, and do not necessarily reflect present or future values of the particular properties.

The current economic and market conditions represent circumstances that may affect the carrying amount of Company assets. Management has considered the following indicators when testing for impairment of long-lived assets:

- Company's share price - The Company's share price has declined significantly in from mid-2008. However, in recent weeks the price has remained stable. This is consistent with the general market decline.
- Adverse changes in the business climate and/or the industry - Prices of commodities (specifically gold and silver) have been unstable in recent weeks. The general trend has been slight increases. Based upon sources management believes to be reliable, management expects prices of gold and silver to trend upward for the foreseeable future. Therefore, commodity prices are not an indicator of an impairment in the value of the Company's long-lived assets;
- Relationship between the Company and the vendors' of optioned mineral properties.
- Current-period operating or cash flow loss combined with a history of operating or cash flow losses – the Company operates in an industry and is a stage of development which consumes capital for the foreseeable future. If the Company is not able to raise additional capital its ability to maintain its interest in its long-term assets will be impaired. Management is currently considering a number of alternatives that will allow the Company to protect its equity in its long-term assets and enable it to meet its operating cash requirements. Therefore, management does not consider this factor to be an indicator of impairment of the Company's long-term assets.

Asset retirement obligations

The Company's exploration activities are subject to various laws and regulations for federal, regional and provincial jurisdictions governing the protection of the environment. These laws are continually changing. The Company believes its operations are in compliance with all applicable laws and regulations. In the future the Company may be liable for expenditures required to comply with such laws and regulations but cannot predict the amount or timing of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements.

Stock-based compensation

The Company uses the fair-value based method to account for all stock-based payments. Fair value is calculated using the Black-Scholes option-pricing model, which require the input of highly subjective assumptions, including, expected price volatility, estimated timing of the exercise of the stock based instrument and a risk free discount rate. The fair value of the compensation cost is recorded as a charge to net earnings based over the vesting period with a credit to contributed surplus.

Future Income Taxes

The Company uses the asset and liability method of accounting for income taxes whereby future income tax assets are recognized for deductible temporary differences and operating loss carry-forwards and future income tax liabilities are recognized for taxable temporary differences. Future income tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment or substantive enactment. The actual income tax rate that may be in effect at the time future income tax assets are realized or future income tax liabilities come due will depend upon the income tax rate(s) in effect at the time.

12. Changes in Accounting Policies, including initial adoption

The Company's significant accounting policies are consistent with those reported in the annual financial statements as at April 30, 2008. Subsequent to April 30, 2008, the Company has adopted the following generally accounting policies as defined by the Canadian Institute of Chartered Accountants' (CICA) Handbook:

Goodwill and Intangible Assets: The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its

initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company has adopted the new standards for its fiscal year beginning May 1, 2009. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning the initial recognition of goodwill are unchanged from the standards included in the previous Section 3062. There has been no impact on the Company's consolidated financial statements on the adoption of this new standard.

Consolidated Financial Statements: Section 1601, Consolidated Financial Statements and Section 1602, Non-controlling Interests replaces Section 1600. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting, for a non-controlling interest in a subsidiary in consolidated financial statements, subsequent to a business combination. Section 1602 is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, Consolidated and Separate Financial Statements. These standards are effective for the Company for interim and annual financial statements beginning on January 1, 2011. Early adoption is permitted. The Company has not adopted the new standard and has determined there will be no impact on its consolidated financial statements on the adoption of these new standards.

Business Combination: Section 1582, Business Combinations, which replaces Section 1581, Business Combinations, establishes standards for the accounting for a business combination. It is the Canadian GAAP equivalent to International Financial Reporting Standard IFRS 3, Business Combinations. This standard is effective for the Company for interim and annual financial statements beginning on January 1, 2011. Early adoption is permitted. The Company has not adopted the new standard and has determined there will be no impact on its consolidated financial statements on the adoption of these new standards.

International financial reporting standards ("IFRS"): In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that IFRS, as issued by the International Accounting Standards Board ("IASB"), must be adopted for fiscal years beginning on or after January 1, 2011 by all Canadian publically accountable enterprises. The transition date of May 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended April 30, 2011. Changing from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect the Company's reported financial position and results of operations. The Company's management has begun assessing the adoption of IFRS and is in the process of completing its overall conversion plan. The Company's chief financial officer has been delegated the responsibility for completing this process. As part of the plan, the Audit Committee has been directed to monitor the conversion process, including receive quarterly updates from the Chief Financial Officer as to his assessment and implementation of the conversion process. The Company will follow the key events timeline proposed by the AcSB to obtain training and thorough knowledge of IFRS, finalize assessment of accounting policies with reference to IFRS and plan for convergence to be ready for the 2011 changeover.

A diagnostic impact assessment and a detailed plan for convergence and implementation have been completed. As a result, the following standards have been identified as most likely to have a significant financial statement and/or business impact. However, additional standards may have an impact during transition to IFRS as analyses of changes are still in process, not all decisions have been made where accounting policy choices are available and the AcSB and IASB have released a number of exposure drafts related to proposed changes to IFRS. As a result, the Company is not yet able to reliably quantify the impacts expected on its consolidated financial statements.

- IFRS 1 First-time adoption of International Financial Reporting Standards
- IFRS 3 Business combinations
- IAS 16 Property, plant and equipment
- IFRS 6 Exploration and evaluation
- IAS 36 Impairment of assets
- IAS 21 Effects of changes in foreign exchange rates
- IAS 12 Income taxes

The Company's preliminary assessment of the impact of adoption of IFRS on its financial statements indicates the only significant impacts on its financial statements will be in the shareholders' equity section of the balance sheet (where at the time of conversion contributed surplus will be netted with the deficit) and significant additional note disclosure. With the adoption of IFRS there is a significant increase in disclosure requirement. The Company is

continuing to assess the level of disclosure required and any process and/or system changes necessary to gather the required information.

The Company is currently in the process of analyzing policy alternatives allowed under IFRS and the identification of changes required to existing accounting policies. The Company's objective in choosing its IFRS policies and transition elections is to be IFRS compliant and provide the most meaningful and transparent information to its stakeholders.

For each standard, the qualitative and quantitative impacts to the financial statements, disclosure requirements, system requirements, accounting policy decisions, changes to internal controls, including internal controls over financial reporting, and business policies and processes will be determined. To date, the Company has determined there will be minor adjustments to its procedures and information system in order to collect information to be reported under IFRS.

To date, the chief financial officer have attended IFRS training sessions as needed and has provided the audit committee with information regarding requirements of IFRS and the conversion process. As a group, they will continue to receive ongoing training throughout the conversion process.

13. Disclosure and Internal Controls and Risk Factors

Internal Controls and Procedures

In contrast to the certificate required under National Instrument 52-109 *Certificate of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("CD&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representation relating to the establishment and maintenance of:

- a. Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- b. A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting policies.

The Company's certifying officers are responsible for ensuring processes are in place to provide them with sufficient knowledge to support the representations they are making in their certification.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement, on a cost effective basis, DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filing and other reports provided under securities legislation.

Risk Factors

In conducting its business, the Company, like all development-stage mineral exploration companies, faces a variety of risks uncertainties. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Write-Down of Property - Further to the Company's news release of November 30, 2009, the vendors of the Alto El Toro property did not accept the Company's offer to acquire 100% of the property, and the Company determined it would not raise the funds required to make the payment of \$2,056,250 due on November 28, 2009. As a result the Company is in default of the agreement and the carrying value of the property has been written-down to \$Nil. Although the Company is considering commencing legal action with respect to the property, there can be no assurance that it will be successful. If the Company loses its interest in the Alto El Toro Property, its business and operations may be materially adversely affected.

Exploration and Development - Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title Risks - Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

Fluctuating Metal Prices - Factors beyond the control of the Company have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects and the Company's ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

Environmental Regulations, Permits and Licenses - Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

Political - Operating in a foreign country has legal, political and currency risk that must be carefully considered to ensure their level is commensurate to the Company's assessment of the project.

Competition - The mineral exploration industry is intensely competitive in all its phases, and the Company competes with some companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Future Financings - The Company's continued operation will be dependent in part upon its ability to generate operating revenues and to procure additional financing. To date, the Company has done so through a combination of: (i) equity financing; (ii) cash payments received as property option payments from third parties; and, (iii) profits from the investment in and subsequent sale of junior company shares through its investment portfolio. The current state of global equity markets has had a direct effect on the ability of exploration companies, including the Company, to finance project acquisition and development through the equity markets. There can be no assurance that funds will be generated from the Company's current revenue sources or that other forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities - During the past year, global securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

14. Approval

The Board of Directors of OroAndes Resource Corp has approved the disclosures contained in the Management Discussion and Analysis for the period ended January 31, 2010, prepared as at March 26, 2010.

15. Other Information

Additional information relating to the Company can be found on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) database at www.sedar.com