

MINERA ANDES INC /WA
Form 10QSB
May 23, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2006

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _ to _____
Commission file Number **000-22731**

MINERA ANDES INC.
(Exact name of registrant as specified in its charter)

ALBERTA, CANADA
(State or other jurisdiction of incorporation or organization)

NONE
(I.R.S. Employer Identification No.)

111 E. MAGNESIUM ROAD, SUITE A, SPOKANE, WA 99208
(Address of principal executive offices)

(509) 921-7322
(Registrant's telephone number)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Shares outstanding as of May 15, 2006: 148,905,595 shares of common stock, with no par value



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MINERA ANDES INC.
“An Exploration Stage Corporation”
CONSOLIDATED BALANCE SHEETS
(U.S. Dollars - Unaudited)

	March 31, 2006	December 31, 2005
ASSETS		
Current:		
Cash and cash equivalents	\$ 3,554,601	\$ 3,314,559
Receivables and prepaid expenses	113,160	95,777
Total current assets	3,667,761	3,410,336
Mineral properties and deferred exploration costs (Note 3)	5,062,337	4,470,174
Investment (Note 4)	22,611,703	17,505,938
Equipment, net	72,733	66,378
Total assets	\$ 31,414,534	\$ 25,452,826
LIABILITIES		
Current:		
Accounts payable and accruals	\$ 651,945	\$ 259,806
Bank loan interest payable	29,111	84,064
Bank loan (Note 5)	1,862,408	3,628,635
Total liabilities	2,543,464	3,972,505
SHAREHOLDERS' EQUITY		
Preferred shares, no par value, unlimited number		
Authorized, none issued	--	--
Common shares, no par value, unlimited number authorized		
Issued March 31, 2006 - 130,094,892 shares (Note 2)		
Issued December 31, 2005 - 108,484,137 shares	49,771,412	41,679,110
Contributed surplus	2,778,334	2,736,570
Accumulated deficit	(23,678,676)	(22,935,359)
Total shareholders' equity	28,871,070	21,480,321
Total liabilities and shareholders' equity	\$ 31,414,534	\$ 25,452,826

Approved by the Board of Directors:

/s/ Allen V.

Ambrose

Allen V. Ambrose, Director

/s/ Bonnie L. Kuhn

Bonnie L. Kuhn, Director

The accompanying notes are an integral part of these consolidated financial statements.

MINERA ANDES INC.
“An Exploration Stage Corporation”
CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT
(U.S. Dollars - Unaudited)

	Three Months Ended		Period from
	March 31,	March 31,	July 1, 1994
	2006	2005	(inception)
			through
			March 31, 2006
Consulting fees	125,336	112,393	2,687,312
Depreciation	2,101	2,454	89,991
Equipment rental	--	--	21,522
Foreign exchange loss	27,392	16,430	206,320
Insurance	15,230	17,255	407,114
Legal, audit and accounting fees	87,283	36,792	1,865,713
Materials, supplies and maintenance	--	--	49,260
Office overhead and administration fees	70,662	46,417	2,767,443
Telephone	6,504	9,621	459,427
Transfer agent	5,308	947	144,242
Travel	14,071	22,656	560,565
Wages and benefits	80,741	52,013	2,996,727
Write-off of deferred exploration costs	--	--	8,540,235
Total expenses	434,628	316,978	