Andover Ventures Inc.
Consolidated Financial Statements
March 31, 2009

HLB Cinnamon Jang Willoughby & Company

Chartered Accountants

A Partnership of Incorporated Professionals

AUDITORS' REPORT

To the Shareholders of **Andover Ventures Inc.:**

We have audited the consolidated balance sheets of Andover Ventures Inc. as at March 31, 2009 and 2008 and the consolidated statements of loss and deficit, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"Cinnamon Jang Willoughby & Company"

Chartered Accountants

Burnaby, BC
July 29, 2009

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ANDOVER VENTURES INC.
Consolidated Balance Sheets
As at March 31

ASSETS		2009		2008
Current				
Cash and cash equivalents	$	236,807	$	28,745
Marketable securities *(Note 7)*		1,010		182,458
Accounts receivable		28,637		3,510
Prepaid expenses and advances		100,414		15,213
		366,868		229,926
Property, Plant and Equipment *(Note 8)*		1,695,014		81,503
Other long term assets		610,131		-
Mineral Properties *(Note 9)*		27,297,956		18,476,015
	$	29,969,969	$	18,787,444

LIABILITIES				
Current				
Bank overdraft	$	2,667	$	-
Accounts payable and accrued liabilities		2,111,749		654,873
Loan payable *(Note 10)*		2,056,986		-
Asset retirement obligation *(Note 11)*		671,704		-
EPA settlement obligation *(Note 12)*		1,343,213		-
Due to related parties *(Note 16)*		243,767		176,129
		6,430,086		831,002
Long-term				
Note payable *(Note 13)*		5,005,034		-
	$	11,435,120	$	831,002

SHAREHOLDERS' EQUITY				
Share Capital *(Note 14)*				
Authorized:				
200,000,000 common shares without par value				
50,000 Class A preferred shares without par value				
50,000 Class B preferred shares without par value				
Issued and outstanding:				
46,853,453 (2008 – 41,812,286 common shares)		16,563,415		14,507,942
Contributed Surplus		7,686,784		7,510,959
Deficit		(5,715,350)		(4,062,459)
		18,534,849		17,956,442
	$	29,969,969	$	18,787,444

Going Concern *(Note 2)*
Subsequent Events *(Note 18)*
Commitments and contingencies *(Note 20)*

ON BEHALF OF THE BOARD:

"Gordon Blankstein" , Director *"Peter Legault"* , Director

- See Accompanying Notes -

ANDOVER VENTURES INC.

Consolidated Statements of Loss, Comprehensive Loss and Deficit

For the Years Ended March 31

		2009		2008
Expenses				
Amortization	$	15,582	$	14,587
Accounting and legal		270,463		96,453
Consulting fees		108,595		259,051
General exploration		23,303		-
Management and other professional fees		159,000		231,000
Office expenses		94,616		134,396
Salaries		44,443		43,856
Stock-based compensation *(Note 14)*		48,253		575,978
Transfer agent and filing fees		34,772		43,124
Travel and promotion		81,451		238,500
Total Expenses		(880,478)		(1,636,945)
Other Items				
Foreign exchange gain (loss)		46,364		(104,127)
Interest income (expense)		(180,100)		27,483
Fair value loss on investments held		(25,836)		(91,111)
Write-down on fair value on common shares issued in consideration of proposed acquisition		(185,000)		-
Write-down of mineral properties *(Note 9)*		(427,841)		(376,184)
		(772,413)		(2,180,884)
Loss and Comprehensive Loss for the Year		(1,652,891)		(2,180,884)
Deficit - Beginning of Year		(4,062,459)		(1,881,575)
Deficit - End of Year	$	(5,715,350)	$	(4,062,459)
Loss per Share - Basic and Diluted	$	(0.04)	$	(0.05)
Weighted Average Number of Common Shares		45,126,380		40,296,434

- See Accompanying Notes -

ANDOVER VENTURES INC.
Consolidated Statements of Cash Flows

For the Years Ended March 31

		2009		2008
Cash Resources Provided By (Used In):				
Operating Activities				
Loss and comprehensive loss for the period	$	(1,652,891)	$	(2,180,884)
Items not affecting cash:				
Amortization		15,582		14,587
Stock-based compensation *(Note 14)*		48,253		575,978
Fair value loss on investments held		25,836		91,111
Loan fee paid by issuance of common shares		42,500		-
Write-down on fair value on common shares issued in consideration of proposed acquisition		185,000		-
Write-down of mineral properties *(Note 9)*		427,841		376,184
		(907,879)		(1,123,024)
Changes in operating assets and liabilities:				
Accounts receivable		(25,127)		23,790
Prepaid expenses and advances		(11,202)		47,688
Accounts payable and accrued liabilities		327,707		(798,855)
		(616,501)		(1,850,401)
Investing Activities				
Mineral property expenditures		(99,773)		(4,867,207)
Investment in Chief Consolidated Mining Company		(7,552,534)		-
Purchase of investments		-		(200,000)
Sale of investments		155,612		13,931
Purchase of property, plant and equipment		-		(96,090)
		(7,496,695)		(5,149,366)
Financing Activities				
Increase in bank overdraft		2,667		-
Due to related parties		(26,474)		115,279
Loan payable		2,056,986		-
Note payable		5,005,034		-
Share capital issued for cash, net		1,283,045		6,829,811
		8,321,258		6,945,090
Net Increase (Decrease) in Cash and Cash Equivalents		208,062		(54,677)
Cash and cash equivalents - Beginning of Year		28,745		83,422
Cash and Cash Equivalents - End of Year	$	236,807	$	28,745

Supplementary cash flow information *(Note 23)*

- See Accompanying Notes -

1. Nature of Operations

Andover Ventures Inc. (“the Company”) was incorporated under the Laws of British Columbia, Canada on February 12, 2003. The Company’s common shares trade on the TSX Venture Exchange.

The Company is a development stage company and engages principally in the acquisition, exploration and development of resource properties, mainly in Alaska and Utah, USA. The recovery of the Company’s investment in its resource properties is dependent upon the discovery, development and ultimate sale of ore resources and the ability to raise sufficient capital to finance this operation.

2. Going Concern

These financial statements have been prepared on a “going concern” basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

To date the Company has not generated revenue from its principle business activities and has relied upon related party loans and equity financing to meet its obligations. The ability of the Company to continue as a going concern is dependent on the ultimate confirmation of the Company’s interest in the underlying mineral claims, the discovery of recoverable reserves and the ability of the corporation to obtain necessary financing to complete exploration and ultimately development and obtain future profitable production.

As at March 31, 2009 the Company incurred a deficit of $5,715,350 (March 31, 2008: $4,062,459).

If the “going concern” assumption were not appropriate for these consolidated financial statements, then the Company may not be able to realize its assets and satisfy its liabilities in the normal course of business.

3. Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies adopted by the Company are as follows:

Basis of presentation

These consolidated financial statements include the accounts of the Company and its subsidiaries, Andover (Alaska) Inc., which was incorporated in the State of Alaska and Chief Consolidated Mining Company (50.78%). All significant inter-company accounts and transactions have been eliminated upon consolidation.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Foreign currency translation

The Company’s subsidiaries are integrated foreign operations. Monetary assets and liabilities are translated at the rate of exchange at the balance sheet date and non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations.

3. Significant Accounting Policies (Continued)

Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

Marketable securities

All marketable securities are classified as held-for-trading financial instruments as the Company intends to sell them in the near future or due to their nature. Unrealized gains and losses related to held-for-trading investments are included in the statement of loss, comprehensive loss and deficit.

The Company estimates the fair value of marketable securities at the balance sheet date using quoted market prices for equity securities and the Black-Scholes pricing model for warrants held.

Property, plant and equipment

Property, plant and equipment are recorded at cost. The Company provides for amortization on office equipment and leasehold improvements using the straight-line method over their useful lives of three to five years. Land is periodically assessed for impairment of value and any losses are expensed to the income statement at the time of impairment. Property and equipment is amortized over its estimated useful live of five years.

Mineral properties

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the units of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. The recoverability of the mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing and obtaining permits necessary to complete the development and future profitable production or proceeds from the disposition thereof.

Title to resource 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 conveyancing history characteristic of many resource properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties and its option agreements are in good standing.

Asset retirement obligations

The Company's mineral exploration and development activities are subject to various laws and regulations regarding protection of the environment. As a result the Company incurs expenses from time to time to discharge its obligations under these laws and regulations. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

3. Significant Accounting Policies (Continued)

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Stock-based compensation

The Company follows the recommendations of Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3870, "Stock-based compensation and other stock-based payments". This Section establishes accounting standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments. This Section sets out a fair value based method of accounting and is required for certain stock-based transactions. The Company, as required by Handbook Section 3870, accounts for all stock options granted to non-employees and employees by applying the fair value based method of accounting.

Future income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Financial instruments

1. Fair value

CICA Sections 3855, *Financial Instruments – Recognition and Measurement,* 3865, Hedges and 1530, *Comprehensive Income*, address the classification, recognition, and measurement of financial instruments and hedges in the financial statements and inclusion of other comprehensive income.

The Sections require financial assets and financial liabilities, including derivatives, be recognized on the balance sheet when the Company becomes a party to contractual provisions of the financial instrument or derivative contract. All financial instruments should be measured at fair value on initial recognition except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held to maturity, loans and receivables or other liabilities.

Held-for-trading financial assets and liabilities are measured at fair value with gains and losses recognized in the Company's loss for the period. Financial assets held-to maturity, loans and receivables and financial liabilities, other than those held-for-trading, are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are measured at fair value with unrealized gains and losses, including changes in foreign exchange rates, are recognized in other comprehensive income upon adoption.

Derivative instruments must be recorded on the balance sheet at fair value including those derivatives that are embedded in financial instruments or other contracts. Changes in fair values of derivative instruments are recognized in the Company's loss for the period.

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

The Company has classified all of its financial assets and liabilities as follows:

Cash and cash equivalents	Held-for-trading Fair Value
Marketable securities	Held-for-trading Fair Value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities
Loans payable	Other financial liabilities
Note payable	Other financial liabilities
Due to related parties	Other financial liabilities

2. Credit risk

   A significant portion of the Company's cash is held at one institution and as a result the Company is exposed to the risks of that institution.

3. Foreign exchange rate risk

The Company conducts its business in United States and Canadian dollars and as a result it is exposed to fluctuations in foreign exchange rates.

Basic and diluted loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants or similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at an average market price during the year. Basic loss per common share is calculated using the weighted-average number of shares outstanding during the year.

4. Adoption of New Accounting Policies

Effective April 1, 2008 the Company adopted the following new accounting standards by the CICA;

Section 1535 – *Capital Disclosures*;
Section 3862 – *Financial Instruments – Disclosures*;
Section 3863 – *Financial Instruments – Presentation*.

Section 1535 requires disclosures of an entity's objectives, policies and processes for managing capital, and information about what the Company regards as capital. Section 3862 and 3863 replaces Section 3861 – *Financial Instruments – Disclosure and Presentation*. These sections revise and enhance disclosure requirements, and carry forward unchanged existing presentation requirements. These sections require disclosure about the nature and extent of risk arising from financial instruments and how the entity manages those risks.

5. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of the capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, as well as the cash and cash equivalents and marketable securities. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

6. Acquisition of Controlling Interest in Chief Consolidated Mining Company

During the three months ended December 31, 2008, the Company advanced funds to Chief Consolidated Mining Company ("Chief") of $670,858 (US$544,145). These advances were converted into 5,441,445 common shares of Chief at a deemed value of US$0.10 per Chief common share.

On November 28, 2008, the Company received 1,500,000 common shares of Chief in consideration for the payment of US$150,000 ($186,780) to Korea Zinc on November 23, 2008 (see Note 9).

On December 2, 2008 the Company participated in a Chief Private Placement. 210,000 Units were purchased at a cost of $26,126 (US$21,000). Each Unit consisted of one common share in Chief and one share purchase warrant exercisable at a price of US$0.15 per common share of Chief over a period of eighteen months from the date of closing of the Private Placement.

The investment was recorded at cost.

On March 24, 2009, the Company reached a settlement with Genco Resources Ltd. ("Genco"), a publicly traded company listed on the TSX. Under the terms of the settlement, Genco agreed to terminate all previous agreements and sell its Chief common shares for $2,572,500 in cash and Andover common shares received prior to the settlement and a $5,000,000 note, payable within 18 months (i.e. by September 24, 2010). The shares purchased by the Company comprises of 6,477,242 shares of Chief's convertible common shares and 13,034,769 shares of Chief's common shares. Chief is a publicly traded company based in Eureka, Utah.

This acquisition was accounted for using the purchase method whereby assets acquired and liabilities assumed were recorded at their fair market prices at the date of acquisition. Due to a shareholders' deficit in Chief, the Company does not reflect a non-controlling interest in its records. Accordingly, the Company has reflected the fair value of Chief's assets and liabilities in its records as if it were a wholly owned subsidiary.

The following sets forth the purchase price allocation to the assets acquired and liabilities assumed:

	$
Purchase Price:	
Common shares	672,500
Cash	2,783,764
Note payable (Note 13)	5,000,000
	8,456,264
Net assets acquired:	
Cash	115,021
Mineral interests	9,016,431
Property, plant and equipment	827,170
Other assets	340,308
Current liabilities	(840,385)
Reclamation obligation	(334,126)
EPA settlement obligation (Note 12)	(668,155)
	8,456,264

As at March 31, 2009, the Company owns 20,186,214 common shares of Chief and 6,477,242 convertible common shares. This represents at 50.78% ownership in Chief.

7. Marketable Securities

	March 31, 2009	March 31, 2008
Alix Resources Corp. – equity securities	$ 56	$ 166,414
Alix Resources Corp. – warrants	954	16,044
	$ 1,010	$ 182,458

8. Property, Plant and Equipment

	Cost	Accumulated Amortization	March 31, 2009	March 31, 2008
Computers	$ 5,587	$ 3,208	$ 2,379	$ 4,240
Furniture and Fixtures	71,226	20,534	50,692	60,556
Land	1,491,700	-	1,491,700	-
Plant and equipment	137,393	-	137,393	-
Leasehold Improvements	19,277	6,427	12,850	16,707
	$ 1,725,183	$ 30,169	$ 1,695,014	$ 81,503

The Land and Plant and equipment were acquired as part of the acquisition of Chief Consolidated Mining Company. They are recorded at their fair value at the date of acquisition.

9. Mineral Properties

	March 31, 2008	Expenditures	March 31, 2009
Sun Property			
Acquisition costs	$ 13,039,794	$ -	$ 13,039,794
Deferred exploration costs:			
Accommodation and travel	64,599	519	65,118
Assays	45,475	-	45,475
Drilling	1,165,144	-	1,165,144
Exploration salaries and wages	524,635	18,141	542,776
Field, camp and exploration costs	2,267,695	53,615	2,321,310
Geological consulting	33,523	-	33,523
Professional fees	188,700	-	188,700
Other	8,261	-	8,261
	17,337,826	72,275	17,410,101
Bristol Bay Property			
Acquisition costs, net of recoveries	171,235	-	171,235
Deferred exploration costs:			
Accommodation and travel	14,503	-	14,503
Assays	9,250	-	9,250
Exploration salaries and wages	41,605	-	41,605
Field, camp and exploration costs	39,014	26,287	65,301
Geological consulting	70,285	-	70,285
Professional fees	36,014	-	36,014
Donations	19,648		19,648
Write-down of mineral interests	-	-	(427,841)
	401,554	26,287	-
Kamishak Property			
Acquisition costs	106,825	-	106,825
Deferred exploration costs:			
Assays	10,384	-	10,384
Drilling	215,694	-	215,694
Exploration salaries and wages	16,362	-	16,362
Field, camp and exploration costs	228,780	1,211	229,991
Geological consulting	98,367	-	98,367
Professional fees	24,085	-	24,085
Other	36,138	-	36,138
	736,635	1,211	737,846
Chief Consolidated Mining Interests			
Acquisition costs	-	9,150,009	9,150,009
Deferred exploration costs:	-	-	-
	-	9,150,009	9,150,009
Total	$ 18,476,015	$ 9,249,782	$ 27,297,956

9. Mineral Properties (Continued)

	March 31, 2007	Expenditures	March 31, 2008
Sun Property			
Acquisition costs	$ 13,018,686	$ 21,108	$ 13,039,794
Deferred exploration costs:			
Accommodation and travel	5,236	59,363	64,599
Assays	-	45,475	45,475
Drilling	-	1,165,144	1,165,144
Exploration salaries and wages	16,037	508,598	524,635
Field, camp and exploration costs	10,686	2,257,009	2,267,695
Geological consulting	32,379	1,144	33,523
Professional fees	23,808	164,892	188,700
Other	8,261	-	8,261
	13,115,093	4,222,733	17,337,826
Bristol Bay Properties			
Acquisition costs, net of recoveries	122,540	48,695	171,235
Deferred exploration costs:			
Accommodation and travel	14,503	-	14,503
Assays	531	8,719	9,250
Exploration salaries and wages	41,605	-	41,605
Field, camp and exploration costs	39,014	-	39,014
Geological consulting	52,271	18,014	70,285
Professional fees	29,867	6,147	36,014
Donations	-	19,648	19,648
	300,331	101,223	401,554
Kamishak Property			
Acquisition costs	106,825	-	106,825
Deferred exploration costs:			
Assays	10,027	357	10,384
Drilling	215,694	-	215,694
Exploration salaries and wages	10,486	5,876	16,362
Field, camp and exploration costs	183,929	44,851	228,780
Geological consulting	98,367	-	98,367
Professional fees	24,085	-	24,085
Other	36,107	31	36,138
	685,520	51,115	736,635
Bulk Gold Property			
Acquisition costs	102,210	-	102,210
Deferred exploration costs:			
Accommodation and travel	8,066	1,074	9,140
Assays	7,128	2,729	9,857
Drilling	51,808	-	51,808
Exploration salaries and wages	5,571	11,822	17,393
Field, camp and exploration costs	11,964	123,879	135,843
Geological consulting	28,270	15,581	43,851
Other	6,082	-	6,082
Write-down of mineral properties		(376,184)	(376,184)
	221,099	(221,099)	-
Total	$ 14,322,043	$ 4,153,972	$ 18,476,015

9. Mineral Properties (Continued)

Sun Property

On November 29, 2006, the Company acquired a 50% interest in the Sun Property located in the Ambler District of Alaska. The purchase price was $3,000,000 and the seller; Hastings Base Metals Corp. ("Hastings ") retains a 1.5% net smelter royalty. On March 30, 2007 the Company exercised its option to acquire the remaining 50% of the Sun Property. The total purchase price for the 100% interest in the Sun Property was $13,000,000.

Bristol Bay Properties

On August 23, 2006, the Company entered into an Exploration Agreement with Option to Lease with the Bristol Bay Native Corporation ("BBNC"), whereby the Company can earn a 100% interest in the Bristol Bay Properties located in the Iliamna Lake area of southwest Alaska. In the current year the Company decided to terminate the project. No further obligations exist.

Kamishak Property

The Company entered into a property option agreement, dated March 27, 2006, with Full Metal Minerals Ltd. ("FMM") whereby the Company could earn a 60% interest in the Kamishak Property, which is located southwest of Anchorage, Alaska. The Company and Full Metal Minerals terminated this agreement and on January 24, 2008 the Company and Alix Resources Corp. reached an agreement, by which the Company would retain a 20% interest in the Kamishak property and Alix would acquire the remaining 80% interest in the property. After Alix spends US$1,000,000 on the property the Company and Alix agree to pay their proportional share of all costs moving forward. The Company has no further obligations to either Full Metal Minerals or Alaska Earth Sciences with regards to the Kamishak property.

Bulk Gold Property

On August 22, 2006, the Company entered an agreement whereby it can earn a 100% interest in the Bulk Gold Property, which is located north of Nome, Alaska. During the year ended March 31, 2008, the Company decided to terminate the project. No further obligations exist.

Chief Consolidated Mining Interests

As disclosed in Note 6 to these financial statements, the Company purchased a controlling interest in Chief on March 24, 2009.

Chief is the owner of or has vested interests in approximately 16,000 acres of patented mining property in the Tintic Mining Districts in Utah County and Juab County, Utah, USA. Chief operates as a mineral resource company seeking to engage in the exploration and development of their mining claims and properties. These mining lands include the Bergin Mine and Trixie Mine, neither of which is currently in production.

(a) Korea Zinc

On August 27, 2008, the Company and Korea Zinc Co. Ltd. ("Korea Zinc") entered into an agreement ("Tintic Utah Option Agreement") by which the Company would purchase Korea Zinc's 25% interest in Tintic Metals LLC ("Tintic Utah") and an agreement known as the "Operating Agreement of Tintic Utah Metals LLC" ("Operating Agreement"). Tintic Utah and the Operating Agreement are a partnership between the Company and Korea Zinc under which the Company owns 75% and Korea Zinc owns 25%.

9. Mineral Properties (Continued)

(a) Korea Zinc (continued)

Under the terms of the Tintic Utah Option Agreement the Company has the option to purchase Korea Zinc's interest in the Operating Agreement by making the following payments:

- US$500,000 the later of three days following execution date of the agreement or after regulatory approval;
- a further US$500,000 on or before the six month anniversary of the initial payment; and
- a further US$2,000,000 on or before the second anniversary of the initial payment.

On November 20, 2008, the Company and Korea Zinc agreed to an amended payment plan under which Andover will make the following payments:

- US$150,000 on or before November 23, 2008 (paid);
- a further US$350,000 on or before May 25, 2009;
- a further US$500,000 on or before November 23, 2009; and
- a further US$2,000,000 on or before November 23, 2010.

Under the terms of the Tintic Utah Option Agreement, if the Company fails to make a payment when due, it has 90 days to make the payment plus interest at a rate of 500 bps plus three month LIBOR.

On November 28, 2008, the Company received 1,500,000 common shares of Chief in consideration for the payment of US$150,000 to Korea Zinc on November 23, 2008 (see Note 6).

(b) Tintic Utah Metals Joint Venture

The Company owns a 75% interest in Tintic Utah Metals LLC (''Tintic''). The Company's Burgin Mine and the Tintic Mill are located on property owned by Tintic. The remaining 25% is owned by Korea Zinc.

As of March 31, 2009, the Company has accrued $850,000 representing its obligation to pay the remaining amount due under the purchase option.

(c) Central Standard Consolidated Mines

The Company owns approximately 23% percent of the outstanding capital stock of Central Standard Consolidated Mines (''Central Standard''). Central Standard's mining property consisted of 320 acres located in the north-central portion of the East Tintic Mining District and is surrounded by property owned by Tintic. In May 2006, some of the holdings of Tintic, Central Standard, and Eagle and Blue Bell Mining Co., Chief's subsidiaries, were sold at tax sale. The Company has been reviewing its options to recover these properties. During April 2007, the Company redeemed the Tintic and the Eagle and Blue Bell properties for $38,000. The Central Standard properties were not redeemed but were included as part of a broader land-swap package worked out between Chief and an adjoining property owner during the first quarter of 2008.

10. Loan Payable

In September, 2008, SNS provided the Company with a $2,000,000 bridge loan secured by all of the assets of Andover. On March 16, 2009, both parties agreed to extend the maturity date of the loan to September 22, 2009.

In addition to the original terms of the loan agreement, the Company and SNS agreed to the following terms for the loan extension:

1. The Company warrants that 50% of all funds raised, either debt or equity, will be forwarded to SNS to reduce funds due under the Loan Agreement including both principal and interest, until the entire debt is retired.

2. The Company agrees to raise the interest cost of the loan by one (1%) percent from the current borrowing rate of prime plus two percent.

3. SNS will have the option of appointing one nominee to the Andover Board of Directors.

4. The Company will pay an, Extension Fee of Two Hundred and Fifty (250,000) thousand common shares of Company to SNS subject to the approval of the TSX Venture Exchange.

On March 25, 2009, TSX Venture Exchange approval was obtained. Interest of $56,986 has been accrued in the year ended March 31, 2009.

11. Asset Retirement Obligation

	March 31, 2009	March 31, 2008
Balance, beginning of year	$ -	$ -
Asset retirement obligation acquired	671,704	-
Balance, ending of year	$ 671,704	$ -

The asset retirement obligation was acquired as part of the acquisition of Chief (see Note 6). The Company has a reclamation obligation relating to the Burgin Mine. In addition, the Company also holds a small mining permit and reclamation obligation in connection with its Chief Gold properties.

The Company has cash held in escrow in the form of reclamation bonds with the State of Utah to settle the obligations when all mining efforts have been abandoned. The Company has issued a bond to the State of Utah totaling $610,131 at March 31, 2009.

The asset retirement obligation is based upon the following assumptions:

1. The Company's undiscounted cash flow required to settle the obligation is approximately $726,993;
2. The obligation payments are expected to occur based on the Company's individual property closure plans.
3. A credit adjusted risk-free rate of 8% has been used to discount cash flows.

12. EPA settlement Obligation – Chief Consolidated Mining Company (Note 6)

During 2001, the U.S. Environmental Protection Agency (''EPA'') placed the ''Eureka Mills Superfund Site'' (the ''Site'') on the National Priorities List. According to the EPA, samples indicate that, approximately 150 acres of soil in the Town of Eureka, Utah, the location of Chief's principal operations, were contaminated with lead and, to a lesser extent, arsenic.

On February 9, 2005, Chief agreed to a judgment with the EPA in the amount of US$60 million. The judgment will remain in effect until the Company has complied with all the requirements of the related consent decree. However, as outlined below, such judgment will be satisfied by Chief complying with all material obligations under the consent decree, namely:

- Chief must provide a report to the EPA each year for five years listing insurance claims, the action the Company is taking to recover the amounts, and any recovery obtained.
- Chief agrees to use its best efforts to sell its property, other than any geologically prospective properties and the Burgin and Trixie Mines, and pay the EPA 100% of net sales proceeds up to US$350,000, and then 50% thereafter.
- Chief agrees to pay the EPA 15% of its net income in excess of US$2 million during any calendar year until February 2010.
- Chief agrees to pay the EPA 15% of any proceeds in excess of US$2 million for a sale of Chief or all or substantially all of its assets until February 2010.

The Company has reviewed the Consent Decree and has determined the fair value of its remaining obligations to be $1,343,213 (US$1,075,000).

13. Note payable

As disclosed in Note 6 of these financial statements, the Company has a $5,000,000 note payable. The note is interest bearing at a rate of Unites States prime plus 2%, subject to a minimum rate of 4% per year, with interest payable quarterly and secured against the Chief shares. Interest of $5,034 was recorded in the year ended March 31, 2009.

14. Share Capital

Details are as follows:

	Number of Shares		Amount		Contributed Surplus		Total
Authorized:							
200,000,000 common shares without par value							
50,000,000 Class A preferred shares without par value							
50,000,000 Class B preferred shares without par value							
Issued and fully paid:							
Balance: March 31, 2007	17,300,000	$	3,270,210	$	2,947,914	$	6,218,124
Units issued for private placements	23,288,873		11,621,790		3,515,979		15,137,769
Shares issued for stock option exercise	225,000		116,492		(46,292)		70,200
Shares issued for warrant exercises	896,000		668,458		(177,778)		490,680
Mineral property – finder's fee	102,413		76,618		-		76,618
Share issuance costs	-		(550,468)		-		(550,468)
Agent's warrants issued as share issuance costs	-		(695,158)		695,158		-
Stock-based compensation	-		-		575,978		575,978
Balance: March 31, 2008	41,812,286		14,507,942		7,510,959		22,018,901
Units issued for private placements	2,766,667		1,219,928		127,572		1,347,500
Shares issued as finder's fees	24,500		12,250		-		12,250
Shares issued for purchase of Chief (Note 6)	2,000,000		857,500		-		857,500
Share issuance costs	-		(76,705)		-		(76,705)
Shares issued for SNS loan extension *(Note 10)*	250,000		42,500		-		42,500
Stock-based compensation	-		-		48,253		48,253
Balance: March 31, 2009	46,853,453	$	16,563,415	$	7,686,784	$	24,250,199

14. Share Capital (Continued)

On April 17, 2007, the Company completed a private placement of 23,073,073 units at a price of $0.65 per unit totalling $14,997,497 less agent commissions of $314,555. $6,500,000 of the private placement was brokered, co-lead by Pacific International Securities Inc. and Leede Financial Markets Inc. The remaining $8,497,497 was non-brokered.

Each unit consisted of one common share of the Company and one-half non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.75 per share for a period of 24 months from closing of the private placement. The majority of the non-brokered portion of the private placement was purchased by directors of the Company or their associates and was used to acquire the remaining 50% interest in the Sun Property. The Company agreed to pay a commission of 7% in cash or units, at the election of the agents, on the brokered portion of the financing. Pacific International Securities Inc. was paid 215,800 units in lieu of a cash commission. An agents' option to purchase shares equal to 12% of the number of units sold by the agents at a price of $0.65 was also granted. The proceeds of the private placements were used by the Company to purchase the remaining 50% interest in its Sun Property located in the Ambler Mining District of Alaska, to carry out the 2007 work programs on the Sun Property, and for general working capital.

The fair value attributable to the common shares and warrants was $11,621,790 and $3,515,979 respectively.

The fair value of the common share purchase warrants was determined using the Black-Scholes pricing model using the following assumptions:

Average risk-free interest rate	3.85% to 4.34%
Expected dividend yield	0%
Expected stock price volatility	80% to 108%
Expected life of warrants	2 years

On May 2, 2008, the Company closed a private placement for a total of 716,667 shares priced at $0.45 totalling $322,500. A finder's fee of 7% was paid to Nighthawk Capital Corp.

On July 31, 2008, the Company closed a private placement for a total of 1,920,000 units at a price of $0.50 per unit totalling $960,000. Each unit consisted of one common share and one half of one share purchase warrant. Each full warrant will entitle the holder to purchase one common share of the Company at a price of $0.75 per share for a period of 18 months from the closing date. A 7% finder's fee was paid in a combination of cash and shares.

The fair value attributable to the common shares and warrants was $840,381 and $119,619 respectively.

The fair value of the common share purchase warrants was determined using the Black-Scholes pricing model using the following assumptions:

Average risk-free interest rate	3.28%
Expected dividend yield	0%
Expected stock price volatility	95.32%
Expected life of warrants	1.5 years

14. Share Capital (Continued)

On August 5, 2008, the Company closed a private placement for a total of 130,000 units at a price of $0.50 per unit totalling $65,000. Each unit consisted of one common share and one half of one share purchase warrant. Each full warrant will entitle the holder to purchase one common share of the Company at a price of $0.75 per share for a period of 18 months from the closing date. A 7% finder's fee was paid in a combination of cash and shares.

The fair value attributable to the common shares and warrants was $57,048 and $7,952 respectively.

The fair value of the common share purchase warrants was determined using the Black-Scholes pricing model using the following assumptions:

Average risk-free interest rate	3.28%
Expected dividend yield	0%
Expected stock price volatility	95.32%
Expected life of warrants	1.5 years

Share Purchase Options

The Company has an incentive stock option plan in place under the rules of the TSX pursuant to which it is authorized to grant options to executive officers and directors, employees and consultants, enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum term of five years with vesting provisions determined by the board of directors.

A summary of the Company's options at March 31, 2009 and 2008 and the changes for the periods ending are as follows:

	Number of Options		Weighted Avg. Exercise Price
March 31, 2007	1,311,500	$	0.44
Granted	1,237,500		0.86
Exercised	(225,000)		0.31
Cancelled	(487,500)		0.59
March 31, 2008	1,836,500		0.70
Granted	-		-
Exercised	-		-
Cancelled	(1,241,500)		0.67
March 31, 2009	595,000	$	0.74

The following table summarizes information about the options outstanding and exercisable at March 31, 2009:

Exercise Prices	Options Outstanding	Options Exercisable	Expiry Dates
$0.50	10,000	10,000	August 24, 2011
$0.50	50,000	50,000	November 29, 2011
$0.50	50,000	50,000	January 11, 2012
$0.90	275,000	258,333	April 27, 2012
$0.67	210,000	140,000	October 10, 2012
	595,000	508,333	

14. Share Capital (Continued)

Stock options (continued)

On April 2, 2009, the Company granted 2,500,000 stock options to Directors and employees at an exercise price of $0.20 per share. The share options vest over a period of up to three years.

On April 20, 2009, the Company granted 600,000 stock options to employees of the Company at an exercise price of $0.35 per share. The share options vest over three years.

On May 25, 2009, a Director of the Company exercised 350,000 stock options at an exercise price of $0.20 per share, for gross proceeds of $70,000. Also on this date, a consultant exercised 300,000 stock options at an exercise price of $0,20 per share, for gross proceeds of $60,000.

Share Purchase Warrants

A summary of the Company's share purchase warrants at March 31, 2009 and 2008 and the changes for the periods ending are as follows:

	Number of Warrants		Weighted Avg. Exercise Price
March 31, 2007	11,266,000	$	0.58
Issued	12,736,072		0.74
Exercised	(896,000)		0.55
March 31, 2008	23,106,072		0.67
Issued	1,025,000		0.75
Exercised	(10,370,000)		0.66
March 31, 2009	13,761,072	$	0.74

The following table summarizes information about the share purchase warrants outstanding and exercisable at March 31, 2009:

Exercise Prices	Warrants Outstanding	Expiry Dates
$0.75	11,536,534	April 17, 2009
$0.65	1,199,538	April 17, 2009
$0.75	960,000	July 31, 2010
$0.75	65,000	August 5, 2010
	13,761,072	

Subsequent to year end 11,536,534 share purchase warrants with an exercise price of $0.75 and 1,199,538 share purchase warrants with an exercise price of $0.65 expired.

Escrow Shares

The 96,600 common shares are held in escrow subject to release based upon terms of escrow agreements and approvals of regulatory authorities.

Stock-Based Compensation

The Company has established a share purchase option plan whereby the Company's directors may from time to time grant options to directors, employees or consultants. The maximum term of any option may be ten years, but generally options are granted for five years or less. The exercise price of an option must be determined by the board of directors and in accordance with the Plan and the policies of the TSX-V. Subject to the policies of the TSX-V, the board of directors may determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

14. Share Capital (Continued)

Stock-Based Compensation (Continued)

The fair value of options granted were estimated on their grant date using the Black-Scholes option-pricing model with the following assumptions:

	2008
Expected dividend yield	0.00%
Expected stock price volatility	91% to 108%
Risk-free interest rate	3.96%
Expected life of options	3-5 years

Option pricing models require the input of highly subjective assumptions including the estimate of the share price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

As of March 31, 2009, the total stock-based compensation related to non-vested options was $19,377 which is to be recognized over the next fiscal year.

15. Future Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2009		2008
Loss before income taxes	$	(1,483,890)	$	(2,180,884)
Statutory tax rate		31.13%		33.47%
Expected income tax recovery	$	(461,861)	$	(730,029)
Effect of reduced tax rate		82,263		96,199
Expenses not deductible for tax purposes		15,957		192,803
Temporary differences		(11,410,082)		(169,014)
Change in valuation allowance		11,773,723		610,041
Total income taxes (recovery)	$	-	$	-

The significant components of the Company's income tax assets and liabilities are as follows:

		2009		2008
Future income tax assets				
Non-capital losses	$	10,417,512	$	957,638
Share issuance costs		173,353		226,697
Tax value of mineral properties in excess of book value		2,079,782		118,498
Other		693,539		13,321
		13,094,186		1,320,463
Valuation allowance		(13,094,186)		(1,320,463)
	$	-	$	-

15. Future Income Taxes (Continued)

Future income tax assets are not recorded due to the uncertainty of their recovery. As at March 31, 2009 the Company had $30,327,617 (2008 - $3,040,122) in non-capital taxable losses for Canadian income tax purposes, subject to final determination by taxation authorities and expiring as follows:

2029	1,396,817
2028	3,408,072
2027	3,665,351
2026	1,796,000
2025	2,267,000
2024	1,854,000
2023	1,745,000
2022	2,765,000
2021	3,457,000
2020	2,161,000
2019	1,085,000
2018	992,000
2016	231,746
2015	171,602
2012	838,545
2011	1,207,832
2010	1,285,652

16. Related Party Transactions

In addition to related party transactions disclosed elsewhere in these financial statements, during the year ended March 31, 2009, the Company paid or accrued management and consulting fees of $212,125 (2008 - $355,579) out of which $nil has been capitalized (2008 - $86,541) to directors and officers of the Company or to companies controlled by common directors. It also paid consulting fees of $4,747 (2008 - $22,496) to a former director and officer of the Company.

As at March 31, 2009, the company has balances payable of $243,767 (2008 - $176,129) to directors and officers of the company or to companies controlled by common directors.

During the period from August 27, 2008 to September 2, 2008, a Director's spouse provided the Company with loans of $114,000. A 5% facility fee was added to the loan amount ($5,700). The outstanding balance of $119,700 was repaid in November 2008.

These transactions took place in the normal course of operations and measured at the exchange amount, which is the total consideration established and agreed between the related parties.

17. Segmented Information

The Company has one operating segment, which is mineral exploration. All of the Company's exploration expenses as disclosed on the exploration cost schedule are incurred in Alaska and Utah. All Land, Plant and equipment are located in Alaska and Utah. All of the Company's assets and other expenses are located or incurred in Canada.

18. Subsequent Events

Subsequent to year end 11,536,534 share purchase warrants with an exercise price of $0.75 and 1,199,538 share purchase warrants with an exercise price of $0.65 expired.

On April 2, 2009, the Company granted 2,500,000 stock options to Directors and employees at an exercise price of $0.20 per share. The share options vest over a period of up to three years.

On April 20, 2009, the Company granted 600,000 stock options to employees of the Company at an exercise price of $0.35 per share. The share options vest over three years.

On May 25, 2009, a Director of the Company exercised 350,000 stock options at an exercise price of $0.20 per share, for gross proceeds of $70,000. Also on this date, an employee exercised 300,000 stock options at an exercise price of $0,20 per share, for gross proceeds of $60,000.

19. Comparative Figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

20. Commitments and Contingencies

On April 23, 2007, Leonard Weitz filed a complaint against the Company in the Fourth Judicial District in and for Utah County, Utah (Case No. 07010174). An amended complaint was filed on June 23, 2007. The complaint is seeking money damages in the amount of $726,000 for alleged breach of contract arising out of Mr. Weitz's employment agreement with the Company. A scheduling order has been proposed by plaintiff's attorney and is under consideration by the Company. The Company believes it has meritorious defenses to the claims asserted in the action and intends to vigorously defend the matter.

21. Recent Accounting Pronouncements

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

21. Recent Accounting Pronouncements (continued)

CICA Handbook Section 1582 *Business Combinations*, replaces Section 1581 - *Business Combinations* and provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3 - *Business Combinations*. This applies to a transaction in which the acquirer obtains control of one or more businesses. Most assets acquired and liabilities assumed, including contingent liabilities that are considered to be improbable, will be measured at fair value. Any interest in the acquiree owned prior to obtaining control will be remeasured at fair value at the acquisition date, eliminating the need for guidance on step acquisitions. Additionally, a bargain purchase will result in recognition of a gain and acquisition costs must be expensed. The Company will adopt this standard on January 1, 2011.

CICA Handbook Sections 1601 – *Consolidations* and Section 1602 – *Non-Controlling Interests* replace Section 1600 "Consolidated Financial Statements". Section 1602 provides the Canadian equivalent to International Accounting Standard 27 - "Consolidated and Separate Financial Statements", for noncontrolling interests. The Company will adopt this standard on January 1, 2011.

22. Financial Instruments

The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are described below.

Fair Value

The Company's financial instruments include cash and cash equivalents, marketable securities, accounts receivable, accounts payable and accrued liabilities, loans payable and notes payable. Management believes that the fair values of these financial instruments approximate their carrying values.

Held for trading financial assets and liabilities, including derivative financial instruments, are recorded at fair value as determined by active market prices and valuation models, as appropriate. Valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining these assumptions, the Company uses readily observable market inputs. Changes in fair value of held for trading financial instruments are recorded in net earnings. Loans and receivables and other financial liabilities are recorded initially at fair value, net of transaction costs incurred, and subsequently at amortized cost using the effective interest method.

Changes in the fair values of derivative instruments are recognized in net income with the exception of derivatives designated in effective cash flow hedges.

Credit risk

A significant portion of the Company's cash is held at one institution and as a result the Company is exposed to the risks of that institution. The carrying amount of cash and short-term investment held for trading represents the Company's maximum credit exposure.

22. Financial Instruments (continued)

Foreign exchange risk

The Company conducts its business in foreign currencies and as a result it is exposed to fluctuations in foreign exchange rates. The Company's current foreign currency risk is primarily with the U.S. dollar ('USD'). Accounts exposed to foreign exchange risk as of March 31, 2009 are:

	USD
Cash and Cash equivalents	231,230
Accounts payable and accrued liabilities	(1,030,234)
Due to related parties	(158,810)
Total	(957,814)

All US dollar balances are shown in Canadian dollar equivalents.

Foreign currency exchange risk sensitivity analysis

The following table details the Company's sensitivity analysis to a 10% strengthening in the US Dollar and Great Britain Pound on foreign currency denominated monetary items and adjusts their translation at the balance sheet date for a 10% change in foreign currency rates. For a 10% weakening of the US Dollar against the Canadian Dollar, there would be an equal and opposite impact on net loss for the period.

Change in foreign exchange gain/(loss) resulting from currency fluctuations at March 31, 2009:

	USD
Cash and Cash equivalents	23,123
Accounts payable and accrued liabilities	(103,023)
Due to related parties	(15,881)
Total	(95,781)

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due or can do so only at excessive cost. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities.

23. Supplementary cash flow information

Non-Cash Investing and Financing Activities:		2009		2008
Common shares issued as acquisition or property finder's fees	$		$	76,618
Private placement units issued in lieu of commission		-		140,270
Fair value of warrants issued in lieu of commission		-		695,158
Shares received for Bristol Bay Native Corporation option payment		-		87,500
Fair value of options and warrants exercised		-		220,633
Fair value of shares issued to purchase Chief (Note 6)		857,500		-
Fair value of shares issued as finder's fees		12,500		-
Cash paid during the year for:				
Interest	$	13,491	$	220,633