ANDOVER VENTURES INC.

Management's Discussion and Analysis
For the Year Ended March 31, 2009

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AOX (TSX Venture Exchange)

July 29, 2009

Introduction

The following Management's Discussion and Analysis ("MD&A") of Andover Ventures Inc. (the "Company" "Andover") should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2009 which are available along with further information on the Company including news releases and historical reports referred to in this MD&A on the SEDAR website at www.sedar.com.

All information contained in this MD&A was prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). All dollar amounts are expressed in Canadian Dollars unless specifically stated otherwise.

Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis contains certain forward-looking statements that involve risks and uncertainties such as statements of the Company's plans, objectives, strategies, expectations, and intentions. The words "may", "would", "could", "will", "intend", "plan", "believe", "estimate", "expect" and similar expressions, as they relate to the Company, or its management, are intended to identify such forward-looking statements. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including those factors discussed below and in filings made with the Canadian securities regulatory authorities. Should one or more of these risk factors or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. The Company does not intend, and does not assume any obligation to update these forward-looking statements.

Risks and uncertainties may include, but are not limited to, changes in general economic conditions, currency fluctuation, changes in the legal, social or political conditions, fluctuations in metals prices, changing costs of services and materials, difficulty in obtaining required equipment supplies and services in a timely manner, changes in reserve and resource estimates, access to capital, and other risks and uncertainties unique to the Company or common to public companies, mineral companies and companies doing business in multiple political jurisdictions.

Background

Andover Ventures Inc. was incorporated under the laws of the province of British Columbia, Canada on February 12, 2003. The Company is an advanced stage exploration company and its primary business is the acquisition, exploration and development of advanced stage mineral properties. Mineral properties for evaluation are acquired through staking, direct acquisition, joint ventures or other participation agreements.

The Company was originally classified as a capital pool corporation under the rules of the TSX Venture Exchange ("TSX Venture"). Under such rules, to meet initial listing requirements for a publicly traded company, the Company was required to complete a Qualifying Transaction. The Company completed a Qualifying Transaction in August of 2006 and is now a listed and publicly traded company on the TSX Venture under the symbol AOX.

On March 24, 2009, the Company completed the acquisition of a controlling interest in Chief Consolidated Mining Company ("Chief"). See Note 6 to the Company's audited financial statements for the year ended March 31, 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 Burgin Mine and Trixie Mine, neither of which is currently in production.

Outlook

During the year ended March 31, 2009 the Company continued to evaluate its mineral holdings in the states of Alaska and Utah, USA.

Sun Property

The Sun property continues to be the most advanced of the Company's Alaska projects. Long term, the Company plans to complete a scoping study and a NI 43-101 compliant reserve and resource report for the Sun Property. The Company remains confident with continued investment and work the Sun Property will prove its positive economic potential.

Anaconda completed a pre-feasibility study on the Sun Property in 1980. Historic grades and resources, pre NI43-101, are indicated below:

	Tons	Silver	Copper	Lead	Zinc
Open Pit	2,399,000	2.39 opt	1.93%	1.20%	4.51%
Underground	17,891,000	2.37 opt	1.91%	1.18%	4.46%

Chief Consolidated Mining Company

The Tintic Mining District of Utah is host to numerous former producing mines. The Company's strategy is multi pronged. The Company is focused on developing the Trixie Mine (Gold/ Silver/ Copper) back into production. It last produced in February 2002 and the mill and mine have been on stand by since that time.

Secondly, the Company continues to work on water permits, re-examining the "UPDATE of 1988 Burgin Mine Feasibility Study" completed by Mine Development Associates in 2001 and the "Estimates of the Mineable Reserves for the New Burgin Project Utah County, Utah" completed by Pincock, Allen and Holt in 1989 for the Burgin Mine.

Trixie Mine

The Trixie Mine is a fully permitted and bonded Gold/ Silver Mine that has been on stand-by since March of 2002, when last operated. The Mine processed 7,808 tons of ore in late 2001 until closure in February 2002 and produced some 4,460 ounces of gold. The total mining and milling cost to process the 7,808 tons was US$694,591 or US$88.96 per ton processed.

To start up the Trixie Mine the Company would initially process material located on the surface. The tonnage would come from various stock piles and the dry stack tailings left from the 2001 – 2002 operations at the Trixie Mine. Simultaneously, the Company plans to access the Trixie Mine to check and confirm the ore reserves estimated to be mineable above the 700 ft Level. This is the area that Chief was mining at the time of the mine closure in February 2002. The Company would also examine the resource at the 1400 ft level where Kennecott had historically mined.

The Company believes, based on the excellent condition of the processing and milling plant, that the plant can be re-commissioned with an initial expenditure of approximately US$200,000. Subject to confirmation of these historic Pre-NI-43-101 resource estimates and the final evaluation of the economics of mining the resources, the Company plans on opening the Trixie Mine and recovering the contained gold and silver ounces as quickly as practical. The Company also plans further exploration of other precious metal targets within the Trixie Mine Complex.

Burgin Mine

This rich silver, lead, zinc deposit is being re-examined to determine the feasibility of returning the Burgin Mine into production along with a comprehensive strategy to accomplish this. Firstly, the District is rich in exploration targets that are near to the Burgin Mine, for example, the Ball Park, the Sunshine Target, Zone A etc, which need to be examined closer. Secondly, the Company continues to work closely with the EPA until final settlement in January 2010.

Key Milestones set for 2009:

- Development of the Trixie Mine subject to confirmation of historic estimates
- Secure water permits for the development of the Burgin Deposits
- Systematic Exploration and Development Programs in East Tintic Mining
- District
- Strategic Ventures/ Partnerships

The Company's long term objectives are to optimize and fully develop its permitted mine and systematically explore our large land positions. Management believes it should focus on generating cash flow from production. The ability to generate free cash from mining operations would allow the Company to further enhance its mining assets. The Company plans to build on its management team and portfolio of projects to increase shareholder value.

Mineral Properties

Sun Property, Alaska

On November 29, 2006, the Company acquired a 50% interest in the Sun mining claims located in the Ambler District of Alaska. The purchase price was $3,000,000 and the seller retains a 1.5% NSR royalty. The Company also retained an option to acquire the remaining 50% interest in the Sun property for $10,000.000. 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.

The Sun property consisted of 25 claims, on the south flank of the Brooks Range in north-central Alaska. The property hosts a copper, silver, lead, zinc VMS deposit first identified by the Sunshine Mining Company in the early 1970's. The property was subsequently explored by Noranda, Anaconda and Teck Cominco. As defined by historical drilling, the Sun property extends approximately three kilometres along strike. Mineralization consists of up to four volcanogenic massive sulphide ("VMS") horizons up to 11.5 metres thick. The host rocks consist of schistose meta-morphosed felsic volcanics, tuffs and sediments occurring in an isoclinally folded linear belt that extends over 100 kilometres. The Ambler District hosts several VMS deposits which include Teck Cominco's Smucker deposit to the west, Rio Tinto/NovaGold's Arctic deposit in the centre and the Sun deposit on the east side of the district.

Andover has staked an additional sixty-eight, 160-acre, State claims along the 16 kilometres of the highly prospective metavolcanic belt around and to the west of the Sun project. Historical work in the area has identified favourable rock, gossans and geochemical anomalies that have not been drill tested and will be the focus of Andover's future work programs on the property.

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.

Chief Consolidated Mining Company

Acquisition of Chief Consolidated Mining Company

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.

Korea Zinc Agreement

On August 27, 2008, Andover, Chief and Korea Zinc Co. Ltd. (“Korea Zinc”) entered into an agreement (“Tintic Utah Option Agreement”) by which Andover 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 Chief and Korea Zinc under which Chief owns 75% and Korea Zinc owns 25%.

Under the terms of the Tintic Utah Option Agreement Andover 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 August 27, 2008 Andover and Chief entered into an agreement (“Purchase of Interest Agreement”) by which Andover has agreed to sell and Chief has agreed to purchase Andover’s interest in the Tintic Utah Option Agreement and the Operating Agreement. The purchase price is by the issuance of 30,000,000 common shares in Chief at a deemed value of US$0.10 per Chief common share.

Subsequent to September 30, 2008, on November 20, 2008, Andover 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.

Selected Annual information

The following table provided financial data from the Company's three most recently completed financial years. The data was prepared in accordance with Canadian Generally Accepted Accounting Principles.

	Years ended		
	March 31, 2009	March 31, 2008	March 31, 2007
	$	$	$
Total interest and other income	-	27,483	12,406
Loss and comprehensive loss	1,652,891	2,180,884	1,295,411
Loss per share – basic and diluted	(0.04)	(0.05)	(0.12)
Total assets	29,969,969	18,787,444	14,688,941
Total long-term liabilities	5,005,034	Nil	Nil
Cash Dividend per share	Nil	Nil	Nil

Results of Operations

The Company reported a loss and comprehensive loss of $1,652,891 (March 31, 2008 - $2,180,844) and a loss per share of $0.04 (March 31, 2008 - $0.05) for the year ended March 31, 2009. The Company's loss decreased as a result of lower administrative, legal, consulting and other professional costs related to increased exploration activities. In addition, the year ended March 31, 2008 included a stock-based compensation expense of $575,978 compared to an expense of $48,253 in the current year ended March 31, 2009. It is anticipated that losses will continue for the foreseeable future as the Company continues to explore its existing mineral properties and evaluate additional properties.

For the year ended March 31, 2009, $72,275 (March 31, 2008 – $4,222,733) on the Sun Property and $1,211 (March 31, 2008 - $51,115) on the Kamishak Property. During the year, the Company dropped its option on the Bristol Bay property was wrote down the investment to $0. Cost incurred during the period for each property include acquisition and exploration costs. For a detailed breakdown of the mineral property expenditures by property please see the Company's financial statements for the year ended March 31, 2009.

The Company's Alaskan mineral properties run seasonal exploration programs starting around mid April to late September and use the remainder of the year for analysis and planning. As a result the Company reports higher exploration related expenses during the first two quarters of the fiscal year.

It is anticipated that losses will continue for the foreseeable future as the Company continues to explore its existing mineral properties and evaluate additional properties.

Summary of Quarterly Results

The following table summarizes selected Company financial information for the last eight completed fiscal quarters. The data was prepared in accordance with Canadian Generally Accepted Accounting Principles and the reporting currency is the Canadian dollar.

	Three Months Ended			
	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
	$	$	$	$
Total interest and other income	-	-	-	-
Loss and comprehensive loss	196,606	143,324	1,059,644	253,317
Loss per share – basic and diluted	(0.01)	(0.01)	(0.03)	(0.01)

	Three Months Ended			
	March 31, 2008	December 31, 2007	September 30, 2007	June 30, 2007
	$	$	$	$
Total interest and other income	8	409	19,156	7,910
Loss and comprehensive loss	575,673	455,117	400,984	749,110
Loss per share – basic and diluted	(0.01)	(0.01)	(0.01)	(0.02)

Analysis of fourth quarter

The Company reported a loss and comprehensive loss of $196,606 (March 31, 2008 - $575,673) and a loss per share of $0.01 (March 31, 2008 - $0.01) for the quarter ended March 31, 2009. The loss was primarily the accrual of interest and loan fees on the SNS loan. There was limited activity during the fourth quarter aside from this interest and loan fee.

Financial Position

At March 31, 2009, total assets employed by the Company were $29,969,969 (March 31, 2008: $18,787,444). The increase is primarily attributable to the purchase of a controlling interest in Chief Consolidated Mining Company, a listed company based in Utah, USA. The main asset purchased was mining interests recognized at $9,150,009.

At March 31, 2009, the Company had total liabilities of $11,435,120 compared to $831,002 as at March 31, 2008. The increase is primarily due to the recognition of one loan payable and one note payable to the Company. SNS provided a loan in September 2008 of $2,000,000 and as part of the acquisition of Chief Consolidated Mining Company the Company entered into a $5,000,000 note with Genco Resources Ltd. payable over 18 months.

Shareholders' equity was $18,534,849 as of March 31, 2009 compared to $17,956,442 as at March 31, 2008. The movement is primarily due the closing of two private placements during the year ($1,283,045), the issuance of common stock as part of the acquisition cost of Chief Consolidated Mining Company ($857,500) and the loss for the year ended March 31, 2009 of $1,652,891.

Liquidity and Capital Resources

On March 31, 2009, the Company had current assets of $366,868 (March 31, 2008 - $229,926) and a net working capital deficit of $11,068,252 (March 31, 2008 – deficit $601,076). The Company's ability to continue as a going concern is dependent on its ability to raise funds to meet current and future financial commitments.

As in many resource companies, cash flows are directly affected by the success and failure of exploration and development work. Until such time that mineral production commences at a level sufficient to support planned exploration and development work the Company will be required to look for alternate sources of financing. No assurance can be given that additional funding to meet the repayment of the loan from SNS Silver and the note payable from Genco Resources Limited will be obtainable on terms acceptable to the Company.

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.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition including, without limitation, such considerations as liquidity and capital resources.

Transactions with Related Parties

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.

Critical Accounting Policies

The Company's critical accounting policies are summarized in Note 3 of its audited annual consolidated financial statements. In the preparation of its consolidated financial statements the Company uses Canadian Generally Accepted Accounting Principles, which require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosure. Estimates are based on management's knowledge of current events and actions the Company may undertake in the future, actual results may differ from these estimates.

Changes in Accounting Policy

The Company adopted the provisions of CICA Sections 1535 Capital Disclosures; Section 3862- Financial Instruments- Disclosures; and Section 3863 Financial Instruments – Presentation on April 1, 2008 which addresses the Company's objectives, classification, policies and processes for managing capital, and disclosure about the nature and extent of risk arising from financial instruments and how the Company manages those risks. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, price or credit risks arising from its financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity prompt liquidation.

Financial Instruments and Other Instruments

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 payable and accrued liabilities	Other financial liabilities
Loans payable	Other financial liabilities
Note payable	Other financial liabilities
Due to related parties	Other financial liabilities

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. During the year ended March 31, 2009, the Company reflected a fair value loss of $25,836 with respect to its marketable securities.

The Company's other financial instruments' carrying values approximate their fair values.

Disclosure of Outstanding Share Data

The Company has 200,000,000 common shares, 50,000,000 Class A preferred shares and 50,000,000 Class B preferred shares authorized, with 46,853,453 common shares outstanding on March 31, 2009. On March 31, 2009, stock options to purchase 595,000 common shares and warrants to purchase 13,761,072 common shares were outstanding.

As of the date of this MD&A, 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, a consultant exercised 300,000 stock options at an exercise price of $0,20 per share, for gross proceeds of $60,000.

Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

There was no significant change in the Company's internal control over financial reporting that occurred during the year ended March 31, 2009 that has materially affected, or is reasonably likely to materially affect, the design of its internal control over financial reporting.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, on a timely basis so that the appropriate decisions can be made regarding public disclosure.