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NEWS RELEASE

July 30, 2008

ANDEAN AMERICAN MINING ANNOUNCES 2008 FINANCIAL AND OPERATIONAL RESULTS

VANCOUVER, BRITISH COLUMBIA-Andean American Mining Corp. (TSX.V-AAG) (FWB-AQN)(BVL-AAG)
(All figures in Canadian dollars unless otherwise noted)

The Board of Directors of Andean American Mining Corp. today announced that its audited financial results for the fiscal year ended March 31, 2008 have been filed with SEDAR at www.sedar.com.

Highlights:

Financial-

- Recorded a net loss of \$19,242,387 or \$0.30 per share for year, compared to a net loss of \$21,433,578 or \$0.41 per share in 2007.
- The net loss is mainly attributable to increases in operating expenses as well as in stock-based compensation and the write-downs relating to the Santa Rosa property.
- Produced 7,834 ounces of gold and gold equivalents in 2008 compared with 8,397 ounces in 2007.
- Revenues were \$5,829,730 compared with \$5,901,665 in 2007.
- Capital expenditures in 2008 amounted to \$12,153,971 compared with \$3,100,823 in 2007, mainly for exploration activities, equipment purchases and property acquisitions.

Operational-

- The Invicta Project successfully completed a 14,000 metre drill program and a 1,170 metre exploration adit was drilled.
- Wardrop Engineering was contracted for an updated NI 43-101 Technical Report on Invicta.
- A feasibility report is being completed, where Stanford Group is addressing mining methods and financial analysis and Wardrop Engineering is conducting the final audit.
- At Sinchao, a 4,652 metre drill program was completed and mineralization has been identified over an area of approximately 750 metres by 300 metres, and to a depth of approximately 400 metres. To date, a total of 12,339 metres has been drilled.

“We are extremely encouraged by the advance of our 2008 programs at both Invicta and Sinchao.” states Chairman and CEO John Huguet. “We look forward to continuing our progress.”

2008 Results

Andean recorded a net loss of \$19,242,387 or \$0.30 per share for the year compared to a net loss of \$21,433,578 or \$0.41 per share in 2007. During the same period in 2007, the Company incurred a loss of \$6,086,167 on the sale of shares of Corporacion Minera Sinchao. The net loss in this period was impacted by increases in operating expenses and in stock-based compensation and the recognition of write-downs relating to the Santa Rosa property and dilution loss on sale of shares by its subsidiary. There was also an increase in foreign exchange gains, which resulted from fluctuations in the foreign exchange rates. Production of gold equivalents was 7,834 ounces compared with 8,397 ounces in fiscal 2007.

Revenues were \$5,829,730 compared with \$5,901,665 in 2007. The revenue decrease in 2008 was due to lower sales volumes partially offset by higher prices for gold and silver.

Cash flow in 2008 was a deficit of \$3,750,890 versus \$2,099,870 in 2007. The decrease was primarily due to lower revenues and increases in direct operating costs and general and administrative expenses.

At March 31, 2008, the Company had working capital of \$2,313,524 and no long term debt. At March 31, 2007 the Company had a working capital deficit of \$907,570 and long-term debt of \$101,217.

Investors are cautioned that the company has not yet completed a feasibility study and there is no certainty that the proposed operations will be economically viable. The Invicta property is not currently in production.

The complete Management Discussion and Analysis and Financial Statements have been filed at www.Sedar.com. For further information call (604) 681-6186 or toll free: 1-888-356-4784 or visit our website at www.andeanamerican.com

On behalf of Andean American Mining Corp.,

“John Huguet”

John Huguet
Chairman & CEO

Andean American Mining Corp. (TSX.V:AAG) (FWB:AQN) (BVL:AAG) is an international mining and exploration company focused on growth. The Company is actively pursuing new targets of potential early stage gold and silver prospects in Peru and currently has two key assets: the 41,500 hectare Invicta gold-silver-copper advanced exploration stage project; 58% of Sinchao Metals Corp., owner of the Sinchao zinc-copper-silver-gold-lead mineralization project.

This news release may contain forward-looking information within the meaning of the Securities Act (Ontario) ("forward-looking statements"). Such forward-looking statements may include the Company's plans for its mineral projects, the overall economic potential of its properties, the availability of adequate financing and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements expressed or implied by such forward-looking statements to be materially different. Such factors include, among others, risks and uncertainties relating to potential political risks involving the Company's operations in a foreign jurisdiction, uncertainty of production and costs estimates and the potential for unexpected costs and expenses, physical risks inherent in mining operations, currency fluctuations, fluctuations in the price of gold and other metals, completion of economic evaluations, changes in project parameters as plans continue to be refined, the inability or failure to obtain adequate financing on a timely basis, and other risks and uncertainties, including those described in the Company's Financial Statements, Management Discussion and Analysis and Material Change Reports filed with the Canadian Securities Administrators and available at www.sedar.com.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

ANDEAN AMERICAN MINING CORP.

CONSOLIDATED BALANCE SHEETS

As at March 31

	2008	2007
	<u>\$</u>	<u>Restated Note 17</u>
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	5,973,166	174,484
Accounts receivable (Note 3)	843,756	714,350
Prepaid expenses	239,732	207,053
Mineral on pads and inventories (Note 4)	<u>752,228</u>	<u>2,546,590</u>
	7,808,882	3,642,477
Mineral on pads (Note 4)	-	3,454,861
Mineral properties and deferred costs (Note 5)	33,799,108	30,453,207
Property, plant and equipment (Note 6)	<u>1,648,965</u>	<u>1,188,152</u>
	<u>43,256,955</u>	<u>38,738,697</u>
LIABILITIES		
Current		
Bank indebtedness	92,048	218,715
Accounts payable and accrued liabilities	4,982,436	3,440,276
Deferred income	-	303,054
Loans payable (Note 7)	39,574	44,387
Current portion of long term debt (Note 8)	<u>381,300</u>	<u>543,615</u>
	5,495,358	4,550,047
Long term debt (Note 8)	-	101,217
Future income tax liabilities (Note 13)	6,080,372	5,723,679
Provision for reclamation and closure costs (Note 9)	<u>127,085</u>	<u>130,159</u>
	6,207,457	5,955,055
Minority interest	<u>9,752,047</u>	<u>4,437,698</u>
	<u>21,454,862</u>	<u>14,942,800</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	69,653,248	59,127,821
Contributed surplus (Note 11)	9,182,035	2,458,879
Deficit	<u>(57,033,190)</u>	<u>(37,790,803)</u>
	<u>21,802,093</u>	<u>23,795,897</u>
	<u>43,256,955</u>	<u>38,738,697</u>
Going concern (Note 1)		
Contingency (Note 16)		
Subsequent Events (Note 18)		

APPROVED BY THE DIRECTORS

"JOHN HUGUET"

DIRECTOR

"BRYAN MORRIS"

DIRECTOR

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

ANDEAN AMERICAN MINING CORP.
CONSOLIDATED STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT
FOR THE YEARS ENDED MARCH 31

	2008	2007
	<u>\$</u>	<u>Restated Note 17</u> \$
REVENUE		
Sales of metals	<u>5,829,730</u>	<u>5,901,665</u>
OPERATING EXPENSES	-	
Direct operating costs	6,981,507	6,215,261
Royalty expense	99,194	104,644
Amortization and depletion	860,175	864,670
Selling expenses	205,868	159,252
Stock based compensation	1,785,307	615,767
Provision for reclamation	<u>3,495</u>	<u>22,486</u>
	<u>9,935,546</u>	<u>7,982,080</u>
OPERATING LOSS	(4,105,816)	(2,080,415)
OTHER (INCOME) EXPENSE		
General and administrative expenses	2,466,739	1,679,082
Interest expense	(62,481)	107,103
Other (income) expense	(307,411)	(74,054)
Foreign exchange (gain) loss	(7,489)	440,519
Dilution (gain) loss on sale of shares by subsidiary	3,490,008	1,886,296
Loss on sale of mineral property	-	6,086,167
Write-down of mineral on leach pads	3,859,867	-
Write-down of mineral properties (Note 5)	5,132,844	7,715,233
Write-down of property, plant and equipment (Note 6)	589,888	1,286,674
Write-off of exploration properties (Note 5)	-	592,299
Current income tax provision (Note 16)	754,951	-
Minority interest	<u>(780,345)</u>	<u>(366,156)</u>
	<u>15,136,571</u>	<u>19,353,163</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	(19,242,387)	(21,433,578)
DEFICIT, BEGINNING OF YEAR	(37,790,803)	(16,357,225)
DEFICIT, END OF YEAR	(57,033,190)	(37,790,803)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES		
OUTSTANDING		
BASIC AND DILUTED	64,695,729	51,832,039
NET LOSS PER COMMON SHARE		
BASIC AND DILUTED	(0.30)	(0.41)

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

ANDEAN AMERICAN MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31

	2008	2007
	<u>\$</u>	<u>Restated Note 17</u> \$
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Net income (loss) for the period	(19,242,387)	(21,433,578)
Adjustments for items not affecting cash:		-
Amortization and depletion	1,425,694	878,890
Stock based compensation	1,785,307	615,767
Minority interest	(780,345)	-
Provision for reclamation	3,495	22,486
Unrealized foreign exchange gain on long-term monetary assets and liabilities	(15,261)	249,896
Write-down of mineral properties	5,132,844	8,307,532
Write-down of mineral on leach pads	3,859,867	-
Write-down of property plant and equipment	589,888	1,286,674
Loss on sale of mineral property	-	6,086,167
Dilution loss on sale of shares by subsidiary	3,490,008	1,886,296
	<u>(3,750,890)</u>	<u>(2,099,870)</u>
Net changes in non-cash working capital items:		
Accounts receivable	(129,406)	106,073
Mineral on pads and inventories	1,389,356	979,172
Prepaid expenses	(32,679)	(137,352)
Accounts payable and accrued liabilities	1,542,160	(245,540)
Deferred income	(303,054)	116,639
	<u>(1,284,513)</u>	<u>(1,280,878)</u>
INVESTING ACTIVITIES		
Mineral properties and deferred costs	(8,537,752)	(2,966,625)
Shares of subsidiary acquired by private placement	(2,000,000)	-
Property, plant and equipment	(1,616,219)	(134,198)
	<u>(12,153,971)</u>	<u>(3,100,823)</u>
FINANCING ACTIVITIES		
Private placement of units, net of issue costs	12,709,393	835,155
Shares issued by subsidiary to minority interest, net of issue costs	6,922,785	3,006,862
Payment of long term debt	(263,532)	(314,492)
Payment of loans payable	(4,813)	(555)
	<u>19,363,833</u>	<u>3,526,970</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	5,925,349	(854,731)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(44,231)	810,500
CASH AND CASH EQUIVALENTS, END OF YEAR	5,881,118	(44,231)
CASH AND CASH EQUIVALENTS IS COMPRISED OF:		
Cash	5,973,166	174,484
Bank indebtedness	(92,048)	(218,715)
	<u>5,881,118</u>	<u>(44,231)</u>

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