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NEWS RELEASE

August 14, 2009

ANDEAN AMERICAN MINING ANNOUNCES 2009 FINANCIAL AND OPERATIONAL RESULTS

VANCOUVER, BRITISH COLUMBIA-Andean American Mining Corp. (TSX.V-AAG) (FWB-AQN)
(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, 2009 have been filed with SEDAR at www.sedar.com.

Highlights:

Financial-

- Recorded a net loss of \$5,738,809 or \$0.07 per share for year, compared to a net loss of \$19,975,935 or \$0.31 per share in 2008.
- The difference in the net loss from the prior year is due to the write down of \$9,582,599 on the Santa Rosa property in 2008 and the dilution loss on the subsidiary of \$3,994,497. The net loss is mainly attributable to general and administrative expenses, stock based compensation and foreign exchange loss.
- Revenues were \$2,940,479 compared with \$5,829,730 in 2008.
- Capital expenditures in 2009 amounted to \$5,630,814 compared with \$12,153,971 in 2008, mainly for exploration activities, equipment purchases and property acquisitions.

Operational-

- Over 26,000 metres of diamond drilling led to an updated NI 43-101 resource estimate by Victor Jaramillo, P.Geo., of Discover Geological Consultants for the Invicta Project in August of 2008. The measured and indicated resources were used as the basis for the feasibility study which was completed in June of 2009 after an audit by Guy Lokhorst, P.Eng., of The Lokhorst Ventures Group. The Study reports an operating cost for the mine and plant of 28.92 USD/t and a capital cost of USD 65.3 million. The sum of the 5-years bulk revenue is USD 600.1 million and net profits are USD 185.3 million, with a gold base price of USD 900/oz and copper base price of USD 2.00/lb. The Net Present Value at 11% discount rate of the 5-year free cash flow net of debt amortization amounts to USD 159 million in the base case scenario. The Company expects pre-production mine development to take approximately 12 months from project initiation.
- At the Sinchao Project an initial resource estimate was calculated during the fourth quarter of 2008. The NI 43-101 compliant resource estimate was completed using 42 diamond drill holes. An inferred resource of 237 million tonnes grading 0.47% copper, 0.49 g/t gold and 12.1 g/t silver was estimated using a 0.27% copper cut-off. This inferred resource is within a larger inferred resource of 416 million tonnes grading 0.36% copper, 0.33 g/t gold and 9.2 g/t silver at a 0.13% copper cut-off. A recent re-interpretation of the property geology indicates that less than 15% of the mineralized zones have been tested to date. The geological potential for additional resources at the Breccia and Skarn Zones has been estimated to range from 400Mt to 1,600Mt, with estimated grades of 0.3% to 0.6% copper and 0.3 to 0.5 g/t gold. This is exclusive of the recently identified porphyry – style mineralization, which has not yet been evaluated.
- The Company has exploration programs planned for Sinchao and Invicta for 2009. Strategic partners may be involved. Less than 5% of Invicta and 15% of Sinchao has been drilled to date.

“It was a year of major accomplishments in a volatile market,” states Chairman and CEO John Huguet. “We continue to be extremely encouraged by the potential at both the Invicta and Sinchao projects.”

2009 Results

Andean recorded a net loss of \$5,738,809 or \$0.07 per share for year, compared to a net loss of \$19,975,935 or \$0.31 per share in 2008. The net loss in the current period was impacted by general and administrative expenses and stock based compensation. There was also an increase in foreign exchange losses, which resulted from fluctuations in the foreign exchange rates.

Revenues were \$2,940,479 compared with \$5,829,730 in 2008. The revenue decrease was impacted by the decrease in the volume of sales and the strengthening of the Canadian dollar.

Cash flow used by operations in the year ended March 31, 2009 before changes to non-cash working capital was a deficit of \$3,410,055 compared with a deficit of \$2,995,939 in the comparative period for 2008. The increase was primarily due to the fluctuation of the Canadian dollar in relation to the United States dollar.

At March 31, 2009, the Company had working capital deficiency of \$5,870,106 and no long term debt. At March 31, 2008, the Company had working capital of \$2,313,524 and no long term debt.

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

The technical disclosure in this news release has been reviewed and approved by Mr. Andrew Gourlay, P. Geol., President of Andean American Mining Corp., and a Qualified Person as defined by National Instrument 43-101. Guy Lokhorst, P. Eng., the Senior Geological Engineer at The Lokhorst Group, is an Independent Qualified Person as defined by National Instrument 43-101 and is responsible for the audit of the Feasibility Study. Leslie F. Tarnai, P. Eng., General Manager of Engineering for Invicta Mining Corp., is a Qualified Person as defined by National Instrument 43-101 and is responsible for the Feasibility Study. Victor Jaramillo, P. Geo., of Discover Geological Consultants Inc. is an Independent Qualified Person as defined by National Instrument 43-101 and is responsible for the resource estimates.

On behalf of Andean American Mining Corp.,

“John Huguet”

John Huguet
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Andean American Mining Corp. (TSX.V:AAG) (FWB:AQN) 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.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by the inability to obtain required environmental and other regulatory approval, environmental or operating permits. The estimate may also be materially affected by global economic conditions such as the price of gold and silver, the price of oil and other commodities utilized in the production of gold and silver. Unknown geologic or hydrologic conditions or other unknown factors may materially affect the resource estimates.

This document uses the terms "measured resources", 'indicated resources' and 'inferred resources'. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, 'inferred resources' have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable. The quantity and grade of the potential mineralization is conceptual in nature, and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the targets being delineated as mineral resources.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

ANDEAN AMERICAN MINING CORP.
CONSOLIDATED BALANCE SHEETS

As at March 31

See Note 1 – Nature of Operations and Going Concern Uncertainty

	2009	2008
	<u>\$</u>	<u>\$</u> (Restated - Note 4)
ASSETS		
Current		
Cash and cash equivalents	28,358	5,973,166
Accounts receivable (Note 5)	287,037	843,756
Prepaid expenses	33,480	239,732
Mineral on pads and inventories (Note 6)	<u>181,628</u>	<u>752,228</u>
	530,503	7,808,882
Mineral properties and deferred costs (Note 7)	41,714,764	35,437,866
Property, plant and equipment (Note 8)	<u>1,664,436</u>	<u>1,648,965</u>
	<u>43,909,703</u>	<u>44,895,713</u>
LIABILITIES		
Current		
Bank indebtedness	28	92,048
Accounts payable and accrued liabilities	5,784,678	4,982,439
Loans payable (Note 9)	<u>615,903</u>	<u>420,874</u>
	6,400,609	5,495,361
Future income tax liabilities (Note 14)	787,159	678,693
Provision for reclamation and closure costs (Note 10)	<u>155,942</u>	<u>127,085</u>
	943,101	805,778
Non-controlling interest	<u>12,300,403</u>	<u>12,473,015</u>
	<u>19,644,113</u>	<u>18,774,154</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	71,507,104	69,653,248
Contributed surplus (Note 12)	11,211,019	9,182,035
Deficit	<u>(58,452,533)</u>	<u>(52,713,724)</u>
	<u>24,265,590</u>	<u>26,121,559</u>
	<u>43,909,703</u>	<u>44,895,713</u>
Contingencies (Note 17)		
Mineral Properties (Note 7)		
Share Capital (Note 11)		
Subsequent Events (Note 20)		

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

See Note 1 – Nature of Operations and Going Concern Uncertainty

	2009	2008
	<u>\$</u>	<u>(Restated - Note 4)</u> \$
REVENUE		
Sales of metals	<u>2,940,479</u>	<u>5,829,730</u>
OPERATING EXPENSES	-	-
Direct operating costs	3,523,848	6,981,507
Royalty expense	34,969	99,194
Amortization and depletion	181,532	860,175
Selling expenses	37,066	205,868
Stock based compensation (Note 11)	1,539,329	1,785,307
Provision for reclamation (Note 10)	<u>28,857</u>	<u>3,495</u>
	<u>5,345,601</u>	<u>9,935,546</u>
OPERATING LOSS	(2,405,122)	(4,105,816)
OTHER (INCOME) EXPENSE		
General and administrative expenses	2,071,709	2,466,739
Interest (income) expense	6,262	(62,481)
Other income	(13,060)	(307,411)
Foreign exchange loss	1,481,315	221,570
Dilution loss on subsidiary	-	3,994,497
Write-down of mineral on pads and inventories (Note 6)	146,228	3,859,867
Write-down of mineral properties and deferred costs (Note 7)	-	4,540,545
Write-down of property, plant and equipment (Note 8)	-	589,888
Write-off of exploration properties (Note 7)	198,234	592,299
Current income tax provision (Note 17)	-	754,951
Non-controlling interest	<u>(557,001)</u>	<u>(780,345)</u>
	<u>3,333,687</u>	<u>15,870,119</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	(5,738,809)	(19,975,935)
DEFICIT, BEGINNING OF YEAR	(52,713,724)	(32,737,789)
DEFICIT, END OF YEAR	(58,452,533)	(52,713,724)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	77,013,354	64,695,729
NET LOSS PER COMMON SHARE - BASIC AND DILUTED	(0.07)	(0.31)

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
See Note 1 – Nature of Operations and Going Concern Uncertainty

	2009	2008
	<u>\$</u>	<u>(Restated - Note 4)</u> \$
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Net loss for the period	(5,738,809)	(19,660,252)
Adjustments for items not affecting cash:		
Amortization and depletion	181,532	1,425,694
Stock based compensation	1,539,329	1,785,307
Non-controlling interest	(557,001)	(780,345)
Provision for reclamation	28,857	3,495
Provision for current income tax payable	-	754,951
Unrealized foreign exchange (gain) loss	791,575	(101,885)
Write-down of mineral properties	-	5,132,844
Write-down of mineral on leach pads	146,228	3,859,867
Write-down of property plant and equipment	-	589,888
Write-down of exploration properties	198,234	-
Dilution loss on subsidiary	-	3,994,497
	<u>(3,410,055)</u>	<u>(2,995,939)</u>
Net changes in non-cash working capital items:		
Accounts receivable	556,719	(129,406)
Mineral on pads and inventories	(570,600)	1,389,356
Prepaid expenses	206,252	(32,679)
Accounts payable and accrued liabilities	802,239	787,209
Deferred income	-	(303,054)
	<u>(2,415,445)</u>	<u>(1,284,513)</u>
INVESTING ACTIVITIES		
Mineral properties and deferred costs	(5,560,860)	(8,537,752)
Shares of subsidiary acquired by private placement	-	(2,000,000)
Property, plant and equipment	(69,954)	(1,616,219)
	<u>(5,630,814)</u>	<u>(12,153,971)</u>
FINANCING ACTIVITIES		
Private placement of units, net of issue costs	1,998,442	12,709,393
Shares issued by subsidiary to minority interest, net of issue costs	-	6,922,785
Issue (payment) of loans payable	195,029	(268,345)
	<u>2,193,471</u>	<u>19,363,833</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(5,852,788)	5,925,349
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,881,118	(44,231)
CASH AND CASH EQUIVALENTS, END OF YEAR	28,330	5,881,118
CASH AND CASH EQUIVALENTS IS COMPRISED OF:		
Cash	28,358	5,973,166
Bank indebtedness	(28)	(92,048)
	<u>28,330</u>	<u>5,881,118</u>

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