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NEWS RELEASE  
August 27, 2009

TSX-V:AAG  
SEDAR Profile # 00003879

## **ANDEAN AMERICAN MINING REPORTS FIRST QUARTER FINANCIAL 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. reports on its Consolidated Interim Financial Statements and Management Discussion and Analysis for the quarter ended June 30, 2009.

### Highlights:

#### Financial:

- The net income for the period was \$31,656 or \$0.00 per share compared with a net loss of \$1,377,977 or \$0.02 per share in the comparable period last year. Stock based compensation expense, general and administrative expenses and direct operating costs decreased over the same period in the prior year. This decrease was offset by increases in foreign exchange due to the fluctuation between the Canadian and US dollar.
- The loss from operations in this quarter amounting to \$140,719 compared with a loss of \$849,982 in the comparable period last year was primarily due to a decrease in direct operating costs.
- Cash flow provided from (used for) operations in the three months ended June 30, 2009 before changes to non-cash working capital was \$522,180 compared with (\$787,437) 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.

#### Operational:

- At Invicta, a feasibility study was completed in June of 2009 after an audit by Guy Lokhorst, P.Eng., of The Lokhorst Ventures Group. The study reported 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, 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 sale of El Misti Gold S.A.C. and the Santa Rosa mine finally concluded in June of 2009. The Company has also retained a small land position in the area and has entered into a joint venture with a private Peruvian Company, Minera Nueva Esperanza. The Company will assist this group in their efforts to initiate operations and will receive an NSR in return.

“We continue to move towards finalizing our financing of the Invicta Project,” states Chairman and CEO John Huguet, “and we are extremely encouraged by the potential of both our principal properties.”

The complete Management Discussion and Analysis and Financial Statements will be filed with SEDAR at [www.sedar.com](http://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](http://www.andeanamerican.com). Andrew Gourlay, P. Geol., President of Andean American Mining Corp. is the Qualified Person for the technical disclosure in this news release.

On behalf of Andean American Mining Corp.,

“John Huguet”

John Huguet

President & CEO

Andean American Mining Corp.

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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. For further information call (604) 681-6186 or toll free: 1-888-356-4784 or visit [www.andeanamerican.com](http://www.andeanamerican.com).

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](http://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 may use 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.  
INTERIM CONSOLIDATED BALANCE SHEETS**

See Note 1 – Nature of Operations and Going Concern Uncertainty

	<b>June 30, 2009</b>	June 30, 2008	March 31, 2009
	<i>(Unaudited)</i>	<i>(Restated - Note 4)</i> <i>(Unaudited)</i>	<i>(Audited)</i>
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	\$ 32,578	\$ 2,424,717	\$ 28,338
Accounts receivable (Note 5)	253,937	916,001	287,037
Prepaid expenses	59,482	144,041	33,480
Mineral on pads and inventories (Note 6)	-	588,864	181,628
	<b>345,997</b>	4,073,623	530,503
<b>Mineral properties and deferred costs</b> (Note 7)	<b>42,499,937</b>	38,386,831	41,714,764
<b>Property, plant and equipment</b> (Note 8)	<b>1,634,501</b>	1,722,685	1,664,436
	<b>\$ 44,480,435</b>	\$ 44,183,139	\$ 43,909,703
<b>LIABILITIES</b>			
<b>Current</b>			
Bank indebtedness	\$ 26	\$ 186,907	\$ 28
Accounts payable and accrued liabilities	5,333,953	4,991,894	5,784,678
Loans payable (Note 9)	1,215,048	395,122	615,903
	<b>6,549,027</b>	5,573,923	6,400,609
<b>Future income tax liabilities</b>	<b>787,159</b>	678,693	787,139
<b>Provision for reclamation and closure costs</b> (Note 10)	<b>143,789</b>	126,072	155,942
	<b>930,948</b>	804,765	943,101
<b>Non-controlling interest</b>	<b>12,384,577</b>	12,394,595	12,300,403
	<b>19,864,552</b>	18,773,283	19,644,113
<b>SHAREHOLDERS' EQUITY</b>			
<b>Share capital</b> (Note 11)	<b>71,689,604</b>	69,653,248	71,507,104
<b>Contributed surplus</b> (Note 12)	<b>11,347,156</b>	9,848,329	11,211,019
<b>Deficit</b>	<b>(58,420,877)</b>	(54,091,721)	(58,452,533)
	<b>24,615,883</b>	25,409,856	24,265,590
	<b>\$ 44,480,435</b>	\$ 44,183,139	\$ 43,909,703
<b>Contingencies</b> (Note 15)			
<b>Mineral Properties</b> (Note 7)			
<b>Share Capital</b> (Note 11)			
<b>Subsequent Events</b> (Note 18)			

APPROVED BY THE DIRECTORS

“JOHN HUGUET”  
\_\_\_\_\_  
DIRECTOR

“BRYAN MORRIS”  
\_\_\_\_\_  
DIRECTOR

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

**ANDEAN AMERICAN MINING CORP.**  
**INTERIM CONSOLIDATED STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT**  
**FOR THE THREE MONTH PERIODS ENDED**  
*(Unaudited)*  
**See Note 1 – Nature of Operations and Going Concern Uncertainty**

	<b>June 30, 2009</b>	June 30, 2008 (Restated - Note 4)
	<u>                    </u>	<u>                    </u>
<b>REVENUE</b>		
Sales of metals	<b>\$ 203,118</b>	\$ 1,020,212
<b>OPERATING EXPENSES</b>		
Direct operating costs	<b>181,444</b>	1,274,676
Royalty expense	<b>1,693</b>	16,873
Amortization and depletion	<b>22,135</b>	6,664
Selling expenses	<b>14,572</b>	38,106
Stock based compensation (Note 11)	<b>123,993</b>	533,875
	<u><b>343,837</b></u>	<u>1,870,194</u>
<b>OPERATING LOSS</b>	<b>(140,719)</b>	(849,982)
<b>OTHER (INCOME) EXPENSE</b>		
General and administrative expenses	<b>277,130</b>	499,930
Interest (income) expense	<b>5,492</b>	1,889
Other (income) expense	<b>177,040</b>	(23,825)
Foreign exchange (gain) loss	<b>(716,211)</b>	248,968
Non-controlling interest	<b>84,174</b>	(198,947)
	<u><b>(172,375)</b></u>	<u>528,015</u>
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>31,656</b>	(1,377,997)
<b>DEFICIT, BEGINNING OF PERIOD</b>	<u><b>(58,452,533)</b></u>	<u>(52,713,724)</u>
<b>DEFICIT, END OF PERIOD</b>	<u><b>\$ (58,420,877)</b></u>	<u>\$ (54,091,721)</u>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED</b>	<b>79,230,189</b>	73,620,017
<b>NET INCOME (LOSS) PER COMMON SHARE - BASIC AND DILUTED</b>	<b>0.00</b>	(0.02)

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

**ANDEAN AMERICAN MINING CORP.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTH PERIODS ENDED**  
*(Unaudited)*  
**See Note 1 – Nature of Operations and Going Concern Uncertainty**

	<b>June 30, 2009</b>	June 30, 2008 (Restated - Note 4)
<b>CASH PROVIDED FROM (USED FOR):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ 31,656	\$ (1,377,997)
Adjustments for items not affecting cash:		
Amortization and depletion	22,135	6,664
Stock based compensation	123,993	533,875
Non-controlling interest	84,174	(198,947)
Unrealized foreign exchange (gain) loss	260,222	248,968
	522,180	(787,437)
Net changes in non-cash working capital items:		
Accounts receivable	33,100	(72,245)
Mineral on pads and inventories	(181,628)	(163,364)
Prepaid expenses	(26,002)	95,961
Accounts payable and accrued liabilities	(450,725)	9,548
	(103,075)	(917,537)
<b>INVESTING ACTIVITIES</b>		
Mineral properties and deferred costs	(491,848)	(2,619,635)
Property, plant and equipment	-	(80,384)
	(491,848)	(2,700,019)
<b>FINANCING ACTIVITIES</b>		
Issue (payment) of loans payable	599,145	(25,752)
	599,145	(25,752)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>		
	4,222	(3,643,308)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>		
	28,330	5,881,118
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>		
	\$ 32,552	\$ 2,237,810
<b>CASH AND CASH EQUIVALENTS IS COMPRISED OF:</b>		
Cash	\$ 32,578	\$ 2,424,717
Bank indebtedness	(26)	(186,907)
	\$ 32,552	\$ 2,237,810

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