Andean American Gold Corp. Reports That Its Subsidiary Sinchao Metals Completed Its Business Combination With Southern Legacy Minerals

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TORONTO, 06/29/12 - Andean American Gold Corp. (TSX VENTURE: AAG) (FRANKFURT: AQN) ("Andean" or the "Company") is pleased to report that, as previously announced on March 2, 2012, its subsidiary company Sinchao Metals Corp. (TSX VENTURE: SMZ) ("Sinchao") and Southern Legacy Minerals Inc. ("Southern Legacy"), have completed their business combination and the transaction has closed.

Prior to the Transaction Andean American owned 65.81% of Sinchao and, following the transaction, it holds 9,841,270 post-consolidation common shares, or 16.9% of the newly combined company which has changed its name to Southern Legacy Minerals Inc. and will trade on the TSX Venture Exchange under the ticker symbol LCY once trading resumes, anticipated on July 3, 2012.

The business combination has consolidated Sinchao's and Southern Legacy's claims located within the Yanacocha-Hualgayoc mining district in the department of Cajamarca, Northern Peru to be re-named the AntaKori project, and form a diversified mineral exploration company with base and precious metals properties in Peru, Chile and Colombia.

ABOUT ANDEAN AMERICAN GOLD CORP.

Andean is an international mining and exploration company focused on value growth through the development of the 31,600 hectare Invicta gold-silver-copper advanced exploration stage project in Peru.

For further information about Andean American Gold Corp. please visit the Company's website at www.aaggold.com or view the Company's documents on SEDAR at www.sedar.com.

On behalf of Andean American Gold Corp.,

David Rae
President and CEO

Forward-Looking Statements

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.

This press release is not an offer to sell or the solicitation of an offer to buy the securities, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification or registration under the securities laws of such jurisdiction. The securities being offered have *not been, nor will they be, registered under the United States Securities Act of 1933, as amended and such securities may not be offered or sold within the United States absent an applicable exemption from U.S. registration requirements.*

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.

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