



TSXV: AAU

AndeanGold Announces Closing of First Tranche of \$1.0 Million Non-Brokered Private Placement

Vancouver, B.C. – July 2, 2009 – AndeanGold Ltd. (“the Company” or “AndeanGold”) (TSX Venture Exchange: AAU) is pleased to announce that it has closed (the “Closing”) the first tranche of its previously announced non-brokered private placement (the “Placement”) (news release of June 10, 2009) pursuant to which it has issued an aggregate of 13,650,000 units (“Units”) at a price of \$0.05 per Unit to raise aggregate gross proceeds of approximately \$682,500. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant, each whole such warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.10 for a period of twelve months from the Closing. The Company anticipates that the second tranche closing of the Placement will take place in mid-July 2009.

All securities issued in the private placement will be subject to a four-month hold period from the Closing of the Placement.

The Company will pay finders’ fees on portions of the first tranche in the aggregate amount of \$22,225 and issue 437,500 warrants, each such warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.10 for a period of twelve months from the Closing.

The proceeds of the Placement will be used principally to fund a Phase I drill program on the Company’s Rio Seco Project in Peru and for general working capital purposes.

About AndeanGold Ltd:

AndeanGold Ltd. is engaged in the acquisition, exploration and potential development of primarily precious metals properties, principally in Peru and Ecuador. The focus of the Company’s exploration activities is presently in advancing its Rio Seco Project, as well as pursuing mineral property acquisitions, in Peru. In Ecuador, the Company’s activities have been limited to administrative and legal matters due to the Mining Mandate issued by the Ecuador Constituent Assembly on April 18, 2008. Ecuador recently passed a new Mines Law, which replaces the Mining Mandate, and is working on developing regulations and finalizing terms and conditions of future mining operations. The Company looks forward to working with government officials to this end, and is actively pursuing authorization to reinstate work programs on its key Ecuadorian projects.

Please refer to AndeanGold’s website at www.andeangoldltd.com for further information on the Company’s projects and activities.

On Behalf of the Board of Directors of ANDEANGOLD LTD.

Anthony F. Ciali
President, CEO and Director

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