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TSX: MAI

NEWS RELEASE

NASD-OTCBB: MNEAF

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## MINERA ANDES ANNOUNCES DELIVERY OF EARN-IN NOTICE UNDER OPTION AGREEMENT AT LOS AZULES COPPER PROJECT

SPOKANE, WA—June 03, 2009— **Minera Andes Inc. (the “Corporation” or “Minera Andes”)** (TSX: **MAI** and US OTC: **MNEAF**) is pleased to announce the earn-in notice has been delivered to exercise its option to acquire a 100 percent interest in the Los Azules Copper Project (the “**Project**”) located in the San Juan Province of western central Argentina, subject to the right of Xstrata Copper to back-in to the Project for a 51% interest. The notice was delivered pursuant to the Los Azules Option Agreement between Minera Andes and certain of its subsidiaries and Xstrata Copper, one of the commodity business units within Xstrata plc (London Stock Exchange: XTA.L and Zurich Stock Exchange: XTRZn.S), and its subsidiary, on the Project.

By Minera Andes exercising its earn-in option on May 29, 2009, Xstrata Copper has 90 days to notify Minera Andes whether it intends to exercise its right to back-in to the Project for a 51% interest (the “**Back-in Right**”) under the Los Azules Option Agreement. After delivery of such back-in notice, in order to complete the Back-in Right, Xstrata Copper must pay to a subsidiary of Minera Andes within 90 days after delivery of such notice 300% of the direct expenditures incurred by Minera Andes and its affiliates on the Project area since November 25, 2005, and assume operational control and responsibility of the Project within 120 days of such notice. Xstrata Copper will also be required to produce a bankable feasibility study in conformity with the standards set out in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, adopted by the Canadian Securities Administrators (“**NI 43-101**”) within 5 years of such notice.

The Project area contains a copper deposit situated on adjoining properties that straddle a large copper porphyry system, which was the subject of a recent NI 43-101 technical report and scoping study containing an inferred mineral resource estimate of 922 million tonnes of 0.55 % copper. The deposit as currently defined is open in several directions, and further drilling will be required to fully define the limits of the mineralization, especially along the strike to the north and at depth where many of the drill holes have bottomed in copper mineralization.

### Los Azules Option Agreement Details

The Project is an exploration project comprised of properties owned by Andes Corporacion Minera S.A. (“**Andes**”), an indirect wholly-owned subsidiary of Minera Andes (the “**Andes Properties**”) and adjoining properties held by MIM Argentina Exploraciones S.A. for Xstrata Copper (“**MIM**” and the “**MIM Properties**”). The Project is subject to the Los Azules Option Agreement dated November 2, 2007, as amended. Under the Los Azules Option Agreement, Los Azules Mining Inc. (“**LAMI**”), a indirect subsidiary of Minera Andes, has earned a 100% interest in the MIM Properties and MIM is now required under the terms of the Los Azules Option Agreement, to transfer the MIM Properties to Andes which Andes will hold together with the Andes Properties (the “**Combined Property**”).

Certain of the MIM Properties are subject to an underlying option agreement, which is the subject of a dispute between Xstrata Copper, as option holder, and Solitario Argentina S.A. (“**Solitario**”), as the

grantor of that option and the holder of a back-in right of up to 25%, exercisable upon the satisfaction of certain conditions, within 36 months after the exercise of the option by Xstrata Copper. The dispute surrounds the validity of a 36 month restriction on a back-in-right held by Solitario.

### **About Minera Andes**

Minera Andes is a gold, silver and copper exploration company working in Argentina. The Company holds about 304,000 acres of mineral exploration land in Argentina. The producing San José silver/gold mine is 49% owned by Minera Andes through a joint venture. Minera Andes is also exploring the Los Azules copper project in San Juan province, where an exploration program has defined a resource and a scoping study has been completed. Other exploration properties, primarily silver and gold, are being evaluated in southern Argentina. The Corporation presently has 230,538,851 shares issued and outstanding.

This news is submitted by Allen V. Ambrose, President and Director of Minera Andes Inc.

For further information, please contact: Art Johnson at the Spokane office, or Krister A. Kottmeier, investor relations – Canada, at the Vancouver office. Visit our Web site: [www.minandes.com](http://www.minandes.com).

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#### **Caution Concerning Forward-Looking Statements:**

*This news release contains forward-looking statements and forward-looking information within the meaning of applicable US and Canadian securities laws. Such forward-looking statements or information include, but are not limited to, statements or information with respect to the price of gold, silver, copper and other base metals, operating and capital costs, production estimates, and estimation of mineral reserves.*

*In making the forward-looking statements and providing the forward-looking information, we have made numerous assumptions. These assumptions include among other things, assumptions about the price of gold, silver, copper, anticipated costs and expenditures, future production and recovery and that there is no unanticipated fluctuation in interest rates and foreign exchange rates. Although our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements will prove to be accurate. Forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause our actual results, to be materially different from that expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things, declines in the price of gold, silver, copper and other base metals, the outcome of the Solitario Claim, capital and operating cost increases, changes in general economic and business conditions, including changes in interest rates and the demand for base metals, economic and political instability in Argentina, discrepancies between actual and estimated production and mineral reserves and resources; operational and development risk; the speculative nature of mineral exploration and regulatory risks.*

*Readers should not place undue reliance on forward-looking statements or information. We undertake no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. See our annual information form for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. All forward-looking statements and information made in this news release are qualified by this cautionary statement.*

#### **Cautionary Note to U.S. Investors:**

*The United States Securities and Exchange Commission (the "SEC") permits mining companies, in their filings with the SEC, to disclose only those mineral deposits with "mineral reserves" that a company can economically and legally extract or produce. We use certain terms in this news release, such as "mineral resources", that the SEC guidelines strictly prohibit us from including in our filings with the SEC, because these terms are common usage in Canada and form part of our Canadian filing requirements. U.S. Investors are urged to consider closely the disclosure in our Form File No. 40F, which may be secured from us, or from the SEC's website at <http://www.sec.gov/edgar.shtml>.*