

ANDEAN AMERICAN REPORTS PROFITS UP 114% IN 1ST QUARTER

Vancouver, B.C. – August 15, 2005. The Board of Directors of Andean American Mining Corp. (TSX-V-AAG) is pleased to provide financial results for the Quarter ended June 30, 2005.

The financial results are a continuation of the strong production results reported July 13, 2005 for the Santa Rosa Gold Mine located 550 kilometers South East of Lima, Peru. The results are as expected and in line with the budget for each quarter growing positively throughout the fiscal year.

IN HIGHLIGHT FORM:

Income statement: (year over year)

Revenues up 87%;... Operating income up 69%;... (previously called earnings from mining operations), Net income up by 114%;... Earnings of 2 cents per share (all comparisons year over year).

Cash Flows:

Cash flow up, before investing activities to \$1,180,000;... an increase of 150% from the year earlier quarter. Cash flow of 2.7 cents per share. Prepaid expenses increased \$283,600; minerals on PADS by \$191,200. Current and long term liabilities were reduced by \$553,800 and \$309,500 respectively.

Balance Sheet: (000's)

	June 30, 2005	March 31, 2005
	\$	\$
Assets:		
Current:	4,385.7	4,464.5
Non current	40,602.4	40,505.2
Total assets	<u>44,988.1</u>	<u>44,969.7</u>
Liabilities:		
Current:	7,367.7	7,921.5
Non current	914.6	1,224.2
Shareholders equity	36,705.8	35,824.0
	<u>44,988.1</u>	<u>44,969.7</u>

(Note: The Company has decided not to recognize future income tax assets in the quarter as the possibility of consuming them in the fiscal year still exists).

SUMMARY: CONTINUED GROWTH AT SANTA ROSA

The first quarter of fiscal 2006 is in line with expectations and marks a good beginning to the year. The current quarter will have the silver precipitate commissioned and fully functional, and it is anticipated that this will lead to better plant performance. The ADR plant is currently functioning at 81 – 83% efficiency and with the silver precipitate circuit capturing coppers and silvers in front of the Carbon in Column Circuit, can be expected to move toward the 94 – 96% range of efficiency. Once fully operational, an improvement in effectiveness in the 13 – 18% range is likely. The second quarter will be a transitional quarter and the third and fourth quarters should receive the full benefit of the new silver precipitate circuit. We hold our production forecast for a 30,000 ounce year, an increase of 75% over the previous year.

Andean American Mining Corp. (TSX-V-AAG) is focused on gold mining, exploration and development with its head office in Vancouver and operations in Peru. The company is a low cost, profitable producer with sales up 111% in 2005. Andean is actively pursuing new opportunities and has recently acquired lands from Barrick. With its current and new properties, with its strong management team and with a commitment to steady growth and financial viability, Andean is well positioned to become a leading organization in the mining industry. For further information, please visit our website at www.andeanamerican.com

On behalf of Andean American Mining Corp.,

“John Huguet”
John Huguet
President & CEO

This news release may contain forward-looking statements regarding upcoming work programs and events. Actual results may differ materially from those anticipated in such statements. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.