

ANDEAN AMERICAN REPORTS STRONG EARNINGS AND CASH FLOW FOR THE YEAR

Vancouver, B.C., August 2, 2005. The Board of Directors of Andean American Mining Corp. is pleased to provide highlights of our audited financial results for the fiscal year ended March 31, 2005.

Income Statement:

Revenues up 117%, operating income up 149%, net income up 218%, a 3.2 million turnaround, earnings per share 4 cents, a 10 cent turnaround (all comparisons year over year).

Cash Flows

Cash up, before investing activities to \$3,908,170 an increase of \$7,344,538 from the previous year's deficit; Cash of 9 cents per share, a 17 cents turnaround from the previous year's deficit. Investments were at \$3.3 million, up \$2 million over the previous year. Long term debts and loans payable were reduced by \$1.8 million. No significant financings were done in the years. Small options and warrants only.

Balance Sheet

Assets:

Accounts receivable were reduced by \$1.8 million while minerals on pads grew by \$2.1 million. Minerals on pads are valued at the lower of cost or market, Management Discussion and Analysis deals with this more fully.

Liabilities

Short term accounts payables grew by 1.1 million and a new category of capital lease added \$1 million to liabilities.

Shareholders Equity:

Share capital and contributed surplus grew by a combined \$1.3 million, deficit reduced by \$1.7 million.

“Andean American is continuing in its quest to become a low cost producer and then a more significant producer of precious metals”, stated John Huguet, C.E.O of Andean. “This solid base now allows the Company to build revenues and overall ounces produced in an aggressive way over the coming quarters”, he continued.

INCOME STATEMENT (000's)

	<u>2005</u>	<u>2004</u>
Revenue	\$ 8,808.5	\$ 4,054.2
Cost of sales	5,117.7	2,571.7
Gross profit	3,690.8	\$ 1,482.5
General & administrative expenses	1,341.7	1,752.2
Other expenses (Net)	44.8	440.6
Stock based compensation	536.9	787.4
Net <loss> income for the year	\$ 1,767.4	< 1,496.7 >
Earnings per share	\$ 0.04	<0.06>

contd/2

CASH FLOWS (000's)

	<u>2005</u>	<u>2004</u>
From operations	\$ 3,908.2	\$ <3,436.4>
Investing	<3,413.5>	<1,304.9>
Financing activities	355.3	4,852.2
Restricted cash	<830.8>	-
End of year cash	\$ <u>242.7</u>	\$ <u>223.4</u>
Cash flow from operations	\$ 0.09	\$ <0.08>

BALANCE SHEET (000's)

ASSETS		
Current	\$ 4,464.5	\$ 6,312.7
Long term	\$ 40,505.2	\$ 35,078.9
Total	<u>44,969.7</u>	<u>\$ 41,391.6</u>
Liabilities – All	\$ 9,145.7	\$ 8,641.2
Shareholders Equity	\$ 35,824.0	<u>32,750.4</u>
TOTAL	\$ 44,969.7	\$ 41,391.6

In summary, Andean American is well positioned for continued strong earnings going forward, to ramp up gold sales and to move positively on some of the opportunities in front of them. Much remains to be accomplished in the Company's drive to realize the objective to join the 250,000 ounce producers within the next five years.

Andean American, producing, profitable, expanding and exploring. For further information contact John Huguet, President or Hai Van Le, Director of Corporate Development at: (604) 681-6186 or toll free: 1-888-356-4784 or visit our website at www.andeanamerican.com .
355 – 601 West Cordova Street Vancouver, BC V6B 1G1

On behalf of Andean American Mining Corp.,

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.