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NEWS RELEASE

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TSX-V:AAG

Sedar Profile # 00003879

ANDEAN AMERICAN MINING ANNOUNCES 2006 FINANCIAL AND OPERATIONAL RESULTS

VANCOUVER, BRITISH COLUMBIA-Andean American Mining Corp (TSX.V-AAG)-(all figures in Canadian dollars, unless otherwise noted)

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, 2006.

Highlights:

- Recorded net earnings for year of \$730,777 or \$0.02 per share compared to net earnings of \$1,767,433 or \$ 0.04 per share in 2005
- Produced sales volume of 16,369 ounces of gold and gold equivalents in 2006
- Revenues were \$ 9,038,330 in 2006 compared with \$8,808,521 in 2005
- Capital expenditures in 2006 amounted to \$3,890,675, mainly for acquisitions, leach pad expansion and development and stripping for new mine areas compared to \$3,413,476 in 2005
- Land titles, community agreements and NI 43-101 technical reports were completed on the Sinchao and Invicta properties leading to further exploration and planning of drill programs

2006 Results

Revenues were \$ 9,038,330 in 2006 compared with \$8,808,521 in 2005 and \$4,054,231 in 2004. The revenue increases in 2006 and 2005 were due to higher metal prices and sales volumes partially offset by the weaker US dollar and stronger Canadian dollar. Cash flow from operations in 2006 was \$1,650,834 compared with \$3,908,170 in 2005 and a deficit of \$3,436,368 in 2004. The reduction in cash flow from operations in 2006 was due to an increase in the cost of sales mainly due to higher levels of stripping. The increase in cash flow from operations in 2005 compared with 2004 was due to much higher levels of sales. At March 31, 2006 the Company had an available cash balance of \$810,500 and a restricted cash balance of \$265,597. At March 31, 2005 the Company had an available cash balance of \$242,657 and a restricted cash balance of \$830,806.

Net earnings for the year ended March 31, 2006 were \$730,777 or \$ 0.02 per share compared with net earnings of \$1,767,433 or \$ 0.04 per share in 2005 and a net loss of \$1,496,692 or \$0.06 per share in 2004. The earnings in 2006 compared with the previous year were due to increased operating costs offset in part by rising prices for gold and silver. Also offsetting the lower effect of higher metal prices in 2006 was a weaker US dollar.

Sales volumes of gold in 2006 were lower than in 2005 by 3.01% and the sales volumes of silver in 2006 were higher than in 2005 by 30%. In terms of gold equivalent ounces (using 63 ounces of silver equivalent to an ounce of gold), sales volumes were 16,369 ounces in 2006 compared with 16,539 ounces in 2005 and 8,068 ounces in 2004. The average sales price of gold for 2006 was \$562 per ounce compared to \$528 in 2005, a change of 6.44%.

Total liabilities in 2006 were \$5,277,720 in 2006 compared to \$9,145,665 in 2005, which significantly strengthens the balance sheet. Liabilities were reduced by the retirement of the production debenture as well as changes in long-term debt, capital leases and repayment of loans.

“While maintaining our commitment to production and expansion at Santa Rosa, Andean American has also moved into becoming a strong exploration company in 2006, dedicated to developing feasible projects,” stated John Huguet, C.E.O of Andean American. “Our increased explorations at Invicta and Sinchao are the beginning of a robust expansion of our projects, leading to the fulfillment of our goal to produce 200,000 ounces of gold by 2010”, he continued.

In summary, Andean American is on target for significant growth in the coming years based on its balance of production and exploration. With the significant potential of Sinchao and Invicta added to the already producing Santa Rosa, the company continues on target to increase shareholder value.

Andean American Mining Corp. (TSX.V-AAG) is focused on growth both organically and through acquisitions. The company is actively pursuing new properties with potential for early stage gold and silver targets. Andean American continues to maintain excellent community relations and a commitment to responsible environmental practices. The company has a strong management team with over 60 years experience and an effective board dedicated to excellence in corporate governance. Andean American Mining is committed to continuing to be a low-cost, profitable producer with an objective of producing 200,000 ounces of gold by 2010.

The complete Management Discussion and Analysis and Financial Statements will be filed at www.Sedar.com. For further information call (604) 681-6186 or toll free: 1-888-356-4784 or 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.

ANDEAN AMERICAN MINING CORP.
CONSOLIDATED BALANCE SHEETS
 As at March 31

	2006	2005
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	810,500	242,657
Restricted cash (Note 9)	265,597	565,285
Accounts receivable (Note 3)	820,423	782,445
Prepaid expenses	69,700	251,087
Minerals on pads & inventories (Note 4)	5,231,399	2,622,991
	<u>7,197,619</u>	<u>4,464,465</u>
RESTRICTED CASH (Note 9)	-	265,521
MINERAL ON PADS (Note 4)	1,749,223	3,020,174
MINERAL PROPERTIES AND DEFERRED COSTS (Note 5)	36,967,866	34,752,561
PROPERTY, PLANT AND EQUIPMENT (Note 6)	3,052,262	2,466,938
	<u>41,769,351</u>	<u>40,505,194</u>
	<u>48,966,970</u>	<u>44,969,659</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	3,685,816	3,112,303
Accrued interest payable	-	321,465
Deferred income	186,415	137,605
Loans payable (Note 8)	46,100	312,999
Debentures (Note 7)	-	2,643,401
Current portion of capital lease obligation (Note 9)	264,998	640,132
Current portion of long term debt (Note 10)	975,138	753,610
	<u>5,158,467</u>	<u>7,921,515</u>
CAPITAL LEASE OBLIGATION (Note 9)	-	386,030
LONG TERM DEBT (Note 10)	-	725,760
PROVISION FOR RECLAMATION & CLOSURE COSTS (Note 11)	119,253	112,360
	<u>5,277,720</u>	<u>9,145,665</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 12)	58,371,791	51,600,212
CONTRIBUTED SURPLUS	1,674,684	1,311,784
DEFICIT	(16,357,225)	(17,088,002)
	<u>43,689,250</u>	<u>35,823,994</u>
	<u>48,966,970</u>	<u>44,969,659</u>

GOING CONCERN (Note 1)

APPROVED BY THE DIRECTORS

“JOHN HUGUET

 DIRECTOR

“BRYAN MORRIS”

 DIRECTOR

**ANDEAN AMERICAN MINING CORP.
 CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
 FOR THE YEAR ENDED MARCH 31**

	2006	2005
	\$	\$
REVENUE		
Sales of metals	<u>9,038,330</u>	<u>8,808,521</u>
 OPERATING EXPENSES		
Direct operating costs	4,659,345	3,641,286
Royalty expense	152,784	205,722
Amortization and depletion	1,155,998	1,030,971
Selling expenses	207,048	208,906
Reclamation	<u>16,200</u>	<u>30,861</u>
	<u>6,191,375</u>	<u>5,117,746</u>
 GROSS PROFIT	 2,846,955	 3,690,775
 OTHER EXPENSES		
General and administrative expenses	1,379,367	1,341,680
Stock based compensation	573,099	536,890
Interest expense	286,441	483,526
Other expenses (income)	(12,109)	216,279
Foreign exchange (gain)	<u>(110,620)</u>	<u>(655,033)</u>
	2,116,178	1,923,342
 NET INCOME FOR THE YEAR	 730,777	 1,767,433
DEFICIT – BEGINNING OF YEAR	<u>(17,088,002)</u>	<u>(18,855,435)</u>
DEFICIT – END OF YEAR	<u>(16,357,225)</u>	<u>(17,088,002)</u>
 WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
BASIC	<u>47,938,089</u>	<u>43,273,548</u>
DILUTED	<u>48,409,451</u>	<u>43,555,313</u>
 EARNINGS PER COMMON SHARE		
BASIC	<u>0.02</u>	<u>0.04</u>
DILUTED	<u>0.02</u>	<u>0.04</u>

**ANDEAN AMERICAN MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31**

	2006	2005
	\$	\$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Income for the year	730,777	1,767,433
Amortization and depletion	1,274,982	1,190,456
Provision for reclamation	16,200	30,861
Stock based compensation	573,099	536,890
Foreign exchange (gain)	(51,034)	(350,500)
Others	-	94,930
	2,544,024	3,270,070
(Increase) decrease in accounts receivable	(37,978)	1,798,341
(Increase) in inventories	(1,337,457)	(2,166,837)
(Increase) decrease in prepaid expenses	181,386	(249,304)
Increase in accounts payable and accrued liabilities	573,513	1,131,956
Increase (decrease) in deferred income	48,810	(55,678)
Increase (decrease) in accrued interest payable	(321,464)	179,622
	1,650,834	3,908,170
INVESTING ACTIVITIES		
Mineral properties and deferred costs	(2,771,892)	(2,220,125)
Property, plant and equipment	(1,118,783)	(1,193,351)
	(3,890,675)	(3,413,476)
FINANCING ACTIVITIES		
Payments of debentures	(1,924,757)	(792,583)
Proceeds from bridge loan	-	200,000
Proceeds from sale leaseback	-	1,280,264
Change in restricted cash	265,597	(830,806)
Common shares issued for cash	5,388,475	769,260
Payment of long term debt	(462,406)	(335,627)
Payment of loans payable	(459,225)	(765,972)
	2,807,684	(475,464)
INCREASE IN CASH DURING YEAR	567,843	19,230
CASH - BEGINNING OF YEAR	242,657	223,427
CASH - END OF YEAR	810,500	242,657
CASH IS COMPRISED OF:		
Cash	943,505	242,657
Bank indebtedness	(133,005)	-
	810,500	242,657

SUPPLEMENTARY CASH FLOW INFORMATION (Note 17)