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## NEWS RELEASE

June 21, 2006

TSX-V: AAG

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### **ANDEAN AMERICAN ANNOUNCES CLOSING OF SINCHAO SHARE EXCHANGE AGREEMENT; ANDREW W. GOURLAY NAMED PRESIDENT OF SINCHAO METALS CORP.**

Further to our news releases of April 4, 2006 and June 7, 2006, Andean American Mining Corp. (TSX.V-AAG) is pleased to announce the closing of the Share Exchange Agreement with the newly formed Sinchao Metals Corp. On June 20, 2006, Andean American received notice from the TSX Venture Exchange that it had approved the Share Exchange Agreement. With this step concluded, Andean American is now the majority shareholder of Sinchao Metals Corp.

“I am pleased that we have completed this phase of the organization of Sinchao Metals Corp. and I look forward to a dynamic future for the company. Sinchao Metals will be able to expedite the recognition of this property that has such noteworthy potential,” stated John Huguet, Chairman and CEO, Andean American Mining, “I also welcome the addition of Andrew Gourlay as President of Sinchao Metals. His geological and management expertise will lead the growth of the company.”

In the previous releases, Andean American announced the transfer of the shares of Corporacion Minera Sinchao S.A.C., a wholly owned subsidiary of Andean American, which holds the Company’s interest in the Sinchao mineral property.

The shares of the wholly owned subsidiary of Andean American, Corporacion Minera Sinchao S.A.C. have been exchanged for 36 million shares and 3 million share purchase warrants of Sinchao Metals Corp. exercisable at \$0.60 in year 1, \$2.00 in year 2 and \$5.00 in year 3. Andean American holds approximately 2/3rds of Sinchao Metals Corp. on a fully diluted basis and has a minimum of 3 of 5 representatives on the Board of Directors of Sinchao Metals Corp.

In addition to a new Board of Directors for Sinchao Metals Corp., the company is pleased to announce Mr. Andrew W. Gourlay, P.Geol., has joined the company as President in charge of the exploration program for the Sinchao project. Mr. Gourlay brings many years of successful international exploration experience to the table.

Mr. Gourlay is an accomplished mineral exploration geologist who has worked as a Professional Geologist, Qualified Person and author of numerous NI 43-101 reports for nearly three decades. A graduate of the University of British Columbia in 1977, Mr. Gourlay has extensive exploration and management experience throughout Asia, North America and South America.

Mr. Gourlay has successfully advanced projects from the grassroots to definition drilling and the resource calculation stage. These include the Bonaparte Gold Property in British Columbia and managing Kennecott Canada’s first two years of successful diamond exploration in the Lac de Gras area. Mr. Gourlay has also been the Exploration Manager for Chase Resource Corp. in the Philippines, Essex Resource Corp. in Bolivia and for Asia Gold Corp., a subsidiary of Ivanhoe Mines Ltd., in Mongolia. He brings a strong technical background to the Company, in addition to experience in corporate management, finance and regulatory compliance in the junior exploration industry. Mr. Gourlay is a Professional Geologist registered with The Association of Professional Engineers, Geologists and Geophysicists of Alberta and a Fellow of the Geological Association of Canada.

Mr. Gourlay is well known to the analyst community and is well equipped to update them on the mineral potential of the Sinchao project. Mr. Gourlay recently spent 12 days in Peru visiting the Sinchao Project and meeting with the Andean American staff in Peru. Andean American currently employs in excess of 400 people in Peru, approximately 125 employees, 48 professionals and 235 contractors and consultants.

“We are ready to kick off the Sinchao field program on a fast track under the capable management of Luis Vela, Masters in Economic Geology, and Winston Cornejo, Senior Project Geologist,” stated Andrew Gourlay. “The Breccia zone is far more extensive than first thought, it may in fact rival the size of the Skarn zone. We intend to find that out over the coming months,” he concluded.

Mr. Victor Jaramillo, P.Geo, Qualified Person, will also supervise the Sinchao Field Program, with a view to updating the recently filed NI 43-101 Report.

The board has continued the operations agreement with Andean Explorations and Andean American Mining will continue to provide full support to Sinchao Metals Corp. for all their needs in regards to the Sinchao project.

The immediate steps are to finalize the community agreement with Chugur Community to allow the environmental remediation, geophysical and diamond drill programs to begin full speed.

On behalf of Andean American Mining Corp.

“John Huguet”

John Huguet

Director

On behalf of Sinchao Metals Corp.

“Andrew Gourlay ”

Andrew Gourlay

President

Andean American Mining Corp. (AAG-TSX.V) has scheduled a conference call for Wednesday, June 21, 2006 at 10:00 AM Eastern time, 7:00 AM Pacific time, to discuss corporate updates and recent news.

Canadian and American participants can access the call by dialing toll free 1-877-888-7019.

International and Toronto area participants can access the call at 416-695-6120.

We will also be webcasting this call at <http://www.vcall.com/IC/CEPage.asp?ID=105960>

John Huguet, Chairman and CEO will host the conference. There will be a question and answer period at the end of the call. Please call in at least 5 minutes prior to the conference call start time to ensure prompt access.

An audio replay will be available at 1-888-509-0081 or 416-695-5275 using the access code 626068 until July 5, 2006. The webcast will be archived at <http://www.vcall.com/IC/CEPage.asp?ID=105960> until June 22, 2007.

For further information, please contact Sheera Waisman at 1-888-356-4784 or 604-681-6186.

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.

For further information call (604) 681-6186 or toll free: 1-888-356-4784 or visit our website at [www.andeanamerican.com](http://www.andeanamerican.com)

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.