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NEWS RELEASE

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TSX-V: AAG

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ANDEAN AMERICAN ANNOUNCES MODIFICATIONS TO THE SINCHAO SHARE EXCHANGE AGREEMENT

Further to our news release of April 4, 2006, Andean American Mining Corp. (TSX.V-AAG) is pleased to announce the Share Exchange Agreement with the newly formed Sinchao Metals Corp. (“SMC”) has been modified by mutual agreement of the two parties.

“I am pleased to be able to announce these modifications to the Share Exchange Agreement”, states John Huguet, Chairman and CEO, “as it moves the process of realizing the value of Sinchao forward. As a distinct company, Sinchao Metals Corp. will now be able to garner market interest as a true polymetallic property solely on its own merits, which are already highly significant. Andean American shareholders will strongly participate in that future success while allowing Andean to focus efforts on the independent growth of its precious metals properties of Invicta, Mamara and Santa Rosa.”

The amendments are such that the shares of the wholly owned subsidiary of Andean American, Corporacion Minera Sinchao S.A.C. will be exchanged for 36 million shares and a 3 year transferable share purchase warrant of Sinchao Metals Corp. exercisable at \$0.60 in year 1, \$2.00 in year 2 and \$5.00 in year 3. In this new structure Andean will hold at least 70% of Sinchao Metals Corp. on a fully diluted basis and have 3 of 5 representatives on the Board of Directors Sinchao Metals Corp.

The basic structure has been modified for Sinchao Metals Corp. such that the method to go public has been changed to allow for a Capital Pool Company (“CPC”) to be found and acquired.

There will be further news forthcoming over the coming weeks.

On behalf of Andean American

“John Huguet”
John F. Huguet
Chairman, Director

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.

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.