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NEWS RELEASE

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TSX-V:AAG

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ANDEAN AMERICAN MINING ANNOUNCES 2007 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. today announced its audited financial results for the fiscal year ended March 31, 2007.

Highlights:

Financial-

- Recorded a net loss of \$19,547,282 or \$0.38 per share for year, \$15,680,373 of which were one-time items, compared to net earnings of \$730,777 or \$0.02 per share in 2006.
- The net loss is mainly attributable to asset impairment charges of \$9,594,206 and the \$6,086,167 loss on dilution incurred on the sale of Corporacion Minera Sinchao.
- Produced 8,397 ounces of gold and gold equivalents in 2007 compared with 16,971 ounces in 2006.
- Revenues were \$5,901,665 in 2007 compared with \$9,038,330 in 2006.
- Capital expenditures in 2007 amounted to \$3,100,823 compared with \$3,890,675 in 2006, mainly for exploration activities and acquisitions.

Operational-

- In October 2006, Andean received a NI 43-101 technical report on Invicta outlining an estimated 4.8 million tonnes in Measured and Indicated resources and 8.3 million tonnes in Inferred resources.
- At Sinchao, 64 surface samples were collected over 1,500 metres, averaging 14.27% Zinc, 2.4% Lead, 1.4% Copper, 85 g/t Ag and 1.87 g/t Au in January 2007.
- Subsequent to the year end, Andean received drill results from hole AE-DDH-07-30 intersecting 14.25m grading 18.45 g/t Au and 18.50m grading 2.87% Cu at the Invicta Project
- A 10,000m drill program continues to upgrade the Inferred resources to the Measured category at Invicta.

2007 Results

Andean recorded a net loss of \$19,547,282 or \$0.38 per share for the year compared to net earnings of \$730,777 or \$0.02 per share in 2006. In addition to the write down of the carrying values of the Santa Rosa mine and certain exploration projects in the amount of \$9,594,206 and the \$6,086,167 loss on dilution incurred on the sale of Corporacion Minera Sinchao (CMS) as described in Note 6 of the Consolidated Financial Statements, the loss was due to low recoveries, low volumes of material treated and higher unit costs from the processing of recycled material. Production of gold equivalents was 8,397 ounces compared with 16,971 ounces in fiscal 2006 when fresh ore was being processed.

Revenues were \$5,901,665 in 2007 compared with \$9,038,330 in 2006. The revenue decrease in 2007 was due to lower sales volumes partially offset by higher prices for gold and silver.

Cash flow in 2007 was a deficit of \$2,099,870 versus \$2,544,024 of positive cash flow in 2006. The reduction in cash flow from operations in 2007 was due to the reduction of gold and silver sold and an increase in the cost of sales mainly due to poor recoveries, lower volumes of recycled material treated and elimination of processing fresh ore until the metallurgical problems were solved..

At March 31, 2007 the Company had a net cash deficit of \$44,231 and long-term debt of \$101,217. At March 31, 2006 the Company had an available cash balance of \$810,500 and a restricted cash balance of \$265,597.

“We have taken a decision to write down the values of our Santa Rosa mine to the fair market value of material for recycling and mineable reserves only. We have not given credibility to the potential as yet undiscovered at Santa Rosa. Andean is committed to fulfilling its goal to produce 200,000 ounces of gold and gold equivalents by 2010. In order to reach this goal, we have focused our efforts on exploration and development at the Invicta and Sinchao properties,” stated John Huguet, Chairman and CEO of Andean American. “We have had some exciting drill hole results from our drill programs at Invicta and Sinchao, and we look forward to releasing more results as we receive them in the near future”, he continued.

Investors are cautioned that the company has not yet completed a feasibility study and there is no certainty that the projections will be achieved, or that the proposed operations will be economically viable. The Invicta property is not currently in production. The pre-feasibility report for the Invicta property is expected within 60 days.

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
Chairman & CEO

About Andean American:

Andean American Mining Corp. (TSX.V:AAG)(FWB:AQN) is an international mining and exploration company focused on growth both organically and through acquisitions. The Company is actively pursuing new targets of potential early stage gold and silver prospects in Peru and currently has three key assets: the 16,900 hectare Invicta gold-silver-copper pre-feasibility stage project; 70% of Sinchao Metals Corp., owner of the Sinchao zinc-copper-silver-gold-lead mineralization project; and the 9,000 hectare Santa Rosa property, which is a producing open-pit mine. Visit our website at www.andeanamerican.com.

For further information:

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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

	2007	2006
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	174,484	810,500
Restricted cash (Note 9)	-	265,597
Accounts receivable (Note 4)	714,350	820,423
Prepaid expenses	207,053	69,700
Mineral on pads & inventories (Note 5)	<u>2,546,590</u>	<u>5,231,399</u>
	3,642,477	7,197,619
MINERAL ON PADS (Note 5)	3,454,861	1,749,223
MINERAL PROPERTIES AND DEFERRED COSTS (Note 6)	30,453,207	36,967,866
PROPERTY, PLANT AND EQUIPMENT (Note 7)	<u>1,188,152</u>	<u>3,052,262</u>
	<u>38,738,697</u>	<u>48,966,970</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	218,715	-
Accounts payable and accrued liabilities	3,440,277	3,685,816
Deferred income	303,054	186,415
Loans payable (Note 8)	44,387	46,100
Current portion of capital lease obligation (Note 9)	-	264,998
Current portion of long term debt (Note 10)	<u>543,615</u>	<u>975,138</u>
	4,550,048	5,158,467
LONG TERM DEBT (Note 10)	101,217	-
FUTURE INCOME TAX LIABILITIES (Note 14(c))	5,723,679	-
PROVISION FOR RECLAMATION & CLOSURE COSTS (Note 11)	<u>130,159</u>	<u>119,253</u>
	<u>10,505,103</u>	<u>5,277,720</u>
MINORITY INTEREST	<u>2,642,331</u>	<u>-</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 12)	59,127,821	58,371,791
CONTRIBUTED SURPLUS	2,367,949	1,674,684
DEFICIT	<u>(35,904,507)</u>	<u>(16,357,225)</u>
	<u>25,591,263</u>	<u>43,689,250</u>
	<u>38,738,697</u>	<u>48,966,970</u>
GOING CONCERN (Note 1)		
CONTINGENCY (Note 19)		
SUBSEQUENT EVENTS (Note 20)		

APPROVED BY THE DIRECTORS

"JOHN HUGUET"

DIRECTOR

"BRYAN MORRIS"

DIRECTOR

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

	2007	2006
	\$	\$
REVENUE		
Sales of metals	<u>5,901,665</u>	<u>9,038,330</u>
OPERATING EXPENSES		
Direct operating costs	6,215,261	4,659,345
Royalty expense	104,644	152,784
Amortization and depletion	864,670	1,155,998
Selling expenses	159,252	207,048
Stock based compensation (Note 12(d))	615,767	573,099
Reclamation	<u>22,486</u>	<u>16,200</u>
	<u>7,982,080</u>	<u>6,764,474</u>
GROSS PROFIT (LOSS)	<u>(2,080,415)</u>	<u>2,273,856</u>
OTHER EXPENSES		
General and administrative expenses (Note 13)	(1,679,082)	(1,379,367)
Interest expense	(107,103)	(286,441)
Other income	74,054	12,109
Foreign exchange (loss) gain	(440,519)	110,620
Loss on dilution (Note 6)	(6,086,167)	-
Write-down of mineral properties (Note 6)	(7,715,233)	-
Write-down of property, plant and equipment (Note 7)	(1,286,674)	-
Write-off of exploration properties (Note 6)	<u>(592,299)</u>	<u>-</u>
	<u>(19,913,438)</u>	<u>730,777</u>
LESS MINORITY INTEREST	<u>366,156</u>	<u>-</u>
NET INCOME (LOSS) FOR THE YEAR	<u>(19,547,282)</u>	<u>730,777</u>
DEFICIT – BEGINNING OF YEAR	<u>(16,357,225)</u>	<u>(17,088,002)</u>
DEFICIT – END OF YEAR	<u>(35,904,507)</u>	<u>(16,357,225)</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
BASIC	<u>51,832,039</u>	<u>47,938,089</u>
DILUTED	<u>52,224,571</u>	<u>48,409,451</u>
EARNINGS (LOSS) PER COMMON SHARE		
BASIC	<u>(0.38)</u>	<u>0.02</u>
DILUTED	<u>(0.38)</u>	<u>0.02</u>

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

	2007	2006
	\$	\$
CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES		
Income (loss) for the year	(19,547,282)	730,777
Amortization and depletion	878,890	1,274,982
Provision for reclamation	22,486	16,200
Stock based compensation	615,767	573,099
Foreign exchange on cash	249,896	(51,034)
Loss on dilution	6,086,167	-
Write-down of mineral properties	9,594,206	-
	<u>(2,099,870)</u>	<u>2,544,024</u>
(Increase) decrease in accounts receivable	106,073	(37,978)
(Increase) decrease in inventories	979,172	(1,337,457)
(Increase) decrease in prepaid expenses	(137,352)	181,386
Increase (decrease) in accounts payable and accrued liabilities	(245,540)	573,513
Increase in deferred income	116,639	48,810
Decrease in accrued interest payable	-	(321,464)
	<u>(1,280,878)</u>	<u>1,650,834</u>
INVESTING ACTIVITIES		
Mineral properties and deferred costs	(2,966,625)	(2,771,892)
Property, plant and equipment	(134,198)	(1,118,783)
	<u>(3,100,823)</u>	<u>(3,890,675)</u>
FINANCING ACTIVITIES		
Payment of debentures	-	(1,924,757)
Proceeds from restructuring Sinchao Metals Corp.	3,006,862	-
Change in restricted cash	-	265,597
Common shares issued for cash	835,155	5,388,475
Payment of long term debt	(314,492)	(462,406)
Payment of loans payable	(555)	(459,225)
	<u>3,526,970</u>	<u>2,807,684</u>
INCREASE (DECREASE) IN CASH DURING YEAR	(854,731)	567,843
CASH - BEGINNING OF YEAR	810,500	242,657
CASH - END OF YEAR	<u>(44,231)</u>	<u>810,500</u>
CASH IS COMPRISED OF:		
Cash	174,484	943,505
Bank indebtedness	(218,715)	(133,005)
	<u>(44,231)</u>	<u>810,500</u>

SUPPLEMENTARY CASH FLOW INFORMATION (Note 17)