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NEWS RELEASE

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TSX-V:AAG

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ANDEAN AMERICAN MINING REPORTS THIRD QUARTER FINANCIAL RESULTS

VANCOUVER, BRITISH COLUMBIA-Andean American Mining Corp. (TSX.V-AAG)(FWB-AQN)

The Board of Directors of Andean American Mining Corp. announces that its Consolidated Interim Financial Statements and Management Discussion and Analysis for the quarter ended December 31, 2006 have been filed with SEDAR at www.sedar.com. Highlights of these statements are discussed below:

-The net loss for the period was \$1,147,529 or \$0.022 per share compared with a loss of \$313,502 or \$0.006 per share in the comparable period last year. On December 15, 2006 Sinchao Metals Corp. was amalgamated with Dolce Enterprises Inc. a capital pool company, to form a new company also called Sinchao Metals Corp. As a result of this transaction the Company's was issued 36 million shares or a 74% interest in the issued and outstanding shares of Sinchao Metals Corp.

-Gross profit from operations is in line with expectations as the Company continues to develop solutions for the metallurgical problems at the Santa Rosa mine. The quarter has been an extremely busy one with encouraging news from Invicta, which the Company continues to fast track towards an early production decision. In its news release of October 30, 2006, the Company announced results from an updated NI 43-101 report with gross metals content of over 2,000,000 gold ounces equivalent in Measured, Indicated and Inferred Resources. Gross metals content does not include metallurgical recoveries.

-The loss from operations in this quarter amounting to \$927,686, compared with earnings of \$149,413 in the comparable period last year, was due to low recoveries from recycled materials and increased operating costs offset in part by rising prices for gold and silver. Also offsetting the effect of higher metal prices in this quarter was a weaker US dollar.

-Net loss for the quarter ended December 31, 2006 was \$1,147,529 compared with a net loss of \$313,502 in the same quarter of 2005. The reduction in earnings in this quarter compared with the previous year was primarily due to the low recoveries and higher unit costs from the processing of recycled material.

-Cash used in operations in the quarter before changes to non-cash working capital items was \$603,106, compared with positive cash flow of \$42,051 in last year's quarter. The reduction in cash flow from operations was due to the reduction of gold and silver produced and an increase in the cost of sales mainly due to poor recoveries.

-Revenues were \$ 1,523,064 in 2006 compared with \$ 1,555,666 in 2005. Sales of gold and gold equivalents in the quarter were 1,950 ounces compared to 2,852 ounces in the comparable period last year. The revenue decrease in 2006 was due to the focus shifting from maximizing production to trying to solve recovery problems.

Outlook:

The Company continues its strong exploration programs at Invicta, Santa Rosa and Sinchao.

Santa Rosa

Continues to process recycle material. On the metallurgical front it appears that a solution for the poor gold and silver recoveries is in sight in the form of a new CIL Agitated Leach process and Merrill Crowe plant.

Invicta

Has a successful drill program underway and a major new discovery, called Ydalia, south of the Atenea Zone. NI 43-101 compliant resource estimates have been published.

Sinchao

Has a major program underway with 2 drills about to begin and major expansion of the targeted areas already accomplished.

The Company expects to produce 12,000 ounces of gold equivalent in fiscal 2007. Gold and silver prices are showing continued strength and at the date of this report are greater than US\$610.00 and US\$11.00 per ounce, respectively. The Company's revenues will be negatively affected by any further strengthening of the Canadian dollar against the US dollar. Metal prices and currencies are subject to fluctuation due to changes in global economic conditions.

The Company is experiencing rising production costs due to increasing prices for fuel, chemicals and maintenance supplies. These rising prices, driven by the global economic boom, are expected to continue throughout calendar 2007.

In fiscal year 2007 capital expenditures for exploration activities at Santa Rosa are estimated to be \$650,000. Capital expenditures for continued exploration of the Invicta project are estimated to be \$800,000. The Company is reviewing potential sources of debt financing for the Invicta project which would include an estimated capital expenditure of \$32,000,000 in order to advance the property towards a production decision. Exploration expenditures for Sinchao are estimated to be \$2,000,000 and will be funded from Sinchao Metals Corp's cash resources and the proceeds from the exercise of its warrants.

For the complete Management's Discussion and Analysis and Financial Statements, please refer to the Company's filings at www.sedar.com.

On behalf of Andean American Mining Corp.,

"John Huguet"

John Huguet
President & CEO

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

ANDEAN AMERICAN MINING CORP.
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - Prepared by Management)

	December 31, 2006	March 31, 2006
	\$	\$
		(audited)
ASSETS		
CURRENT ASSETS		
Cash	963,229	810,500
Restricted cash (Note 9)	-	265,597
Accounts receivable (Note 4)	591,340	820,423
Prepaid expenses	198,233	69,700
Minerals on pads & inventories (Note 5)	<u>5,003,830</u>	<u>5,231,399</u>
	6,756,632	7,197,619
MINERAL ON PADS (Note 5)	1,482,602	1,749,223
MINERAL PROPERTIES AND DEFERRED COSTS (Note 6)	32,189,900	36,967,866
PROPERTY, PLANT AND EQUIPMENT (Note 7)	2,626,032	3,052,262
PREPAID TAX	<u>172,765</u>	<u>-</u>
	<u>43,227,931</u>	<u>48,966,970</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	3,182,263	3,685,816
Deferred income	211,551	186,415
Loans payable (Note 8)	46,029	46,100
Current portion of capital lease obligation (Note 9)	-	264,998
Current portion of long term debt (Note 10)	<u>608,685</u>	<u>975,138</u>
	4,048,528	5,158,467
LONG TERM DEBT (Note 10)	125,541	-
PROVISION FOR RECLAMATION & CLOSURE COSTS (Note 11)	<u>124,805</u>	<u>119,253</u>
	4,298,874	5,277,720
MINORITY INTEREST	2,875,547	-
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 12)	59,203,415	58,371,791
CONTRIBUTED SURPLUS	1,734,758	1,674,684
DEFICIT	<u>(24,884,663)</u>	<u>(16,357,225)</u>
	<u>36,053,510</u>	<u>43,689,250</u>
	<u>43,227,931</u>	<u>48,966,970</u>
CONTINGENCY (Note 19)		
GOING CONCERN (Note 1)		

APPROVED BY THE DIRECTORS

"JOHN HUGUET"
DIRECTOR

"BRYAN MORRIS"
DIRECTOR

ANDEAN AMERICAN MINING CORP.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE NINE MONTHS ENDED DECEMBER 31, 2006
(Unaudited - Prepared by Management)

	Three Month Period Ended		Nine Month Period Ended	
	December 31		December 31	
	2006	2005	2006	2005
	\$	\$	\$	\$
REVENUE				
Sales of metals	1,523,064	1,555,666	4,225,586	7,126,338
OPERATING EXPENSES				
Direct operating costs	1,956,884	1,062,320	4,669,559	3,954,467
Royalty expense	24,628	63,782	71,862	144,705
Amortization and depletion	422,339	236,840	852,707	939,460
Selling expenses	43,254	41,753	115,111	164,412
Reclamation	3,645	1,558	10,777	12,832
	2,450,750	1,406,253	5,720,016	5,215,877
GROSS PROFIT (LOSS)	(927,686)	149,413	(1,494,430)	1,910,461
OTHER EXPENSES				
General and administrative expenses	248,110	287,040	955,486	974,430
Stock based compensation	75,344	107,877	75,344	519,841
Interest and finance expenses	29,315	37,205	77,828	244,558
Other expenses (income)	162,881	(21,585)	25,143	(10,359)
Foreign exchange (gain) loss	(260,713)	52,378	(103,721)	(205,770)
Loss on dilution (note 6)	-	-	6,086,167	-
	(1,182,623)	(313,502)	(8,610,677)	387,761
LESS: MINORITY INTEREST	35,094	-	83,239	-
NET INCOME (LOSS)	(1,147,529)	(313,502)	(8,527,438)	387,761
DEFICIT – BEGINNING OF PERIOD	(23,737,134)	(16,386,739)	(16,357,225)	(17,088,002)
DEFICIT – END OF PERIOD	(24,884,663)	(16,700,241)	(24,884,663)	(16,700,241)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
BASIC & DILUTED	51,864,930	50,620,481	51,612,880	46,834,535
EARNINGS (LOSS) PER COMMON SHARE				
BASIC & DILUTED	(0.022)	(0.006)	(0.167)	0.008

ANDEAN AMERICAN MINING CORP.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN CASH FLOW
FOR THE NINE MONTHS ENDED DECEMBER 31, 2006
(Unaudited - Prepared by Management)

	Three Month Period Ended		Nine Month Period Ended	
	December 31		December 31	
	2006	2005	2006	2005
	\$	\$	\$	\$
CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES				
Income (loss) for the period	(1,147,529)	(313,502)	(8,527,438)	387,761
Amortization and depletion	443,452	236,840	863,318	1,010,247
Provision for reclamation	3,645	1,558	10,777	12,832
Foreign exchange (gain) loss	21,982	9,878	(25,688)	(62,621)
Stock based compensation	75,344	107,877	75,344	519,841
Loss on dilution	-	-	6,086,167	-
	(603,106)	42,051	(1,517,520)	1,868,060
(Increase) decrease in accounts receivable	(21,136)	171,464	229,083	158,326
(Increase) decrease in inventories	234,861	(33,587)	494,190	(526,673)
(Increase) decrease in prepaid expenses	(9,734)	127,438	(128,532)	79,310
Increase (decrease) in accounts payable	(69,946)	557,974	(503,547)	753,864
Increase (decrease) in deferred income	(39,225)	(328,467)	25,136	(137,605)
Increase (decrease) in accrued interest payable	-	-	-	(321,465)
	(508,286)	536,873	(1,401,190)	1,873,817
INVESTING ACTIVITIES				
Mineral properties and deferred costs	(900,300)	(1,044,387)	(2,232,625)	(2,085,772)
Property, plant and equipment	(13,146)	(614,763)	(83,106)	(997,045)
	(913,446)	(1,659,150)	(2,315,731)	(3,082,817)
FINANCING ACTIVITIES				
Payment of debentures	-	-	-	(1,924,757)
Common shares issued for cash	798,855	126,305	816,355	4,996,796
Common shares issued by Sinchao Metals	513,459	-	3,337,434	-
Change in restricted cash	(205,634)	(72,875)	-	-
Payment of long term debt	(84,272)	-	(231,663)	(428,889)
Payment of loans payable	-	(81,831)	(52,476)	(381,033)
	1,022,408	(28,401)	3,869,650	2,262,117
INCREASE (DECREASE) IN CASH DURING PERIOD	(399,324)	(1,150,678)	152,729	1,053,117
CASH - BEGINNING OF PERIOD	1,362,553	2,446,452	810,500	242,657
CASH -END OF PERIOD	963,229	1,295,774	963,229	1,295,774
CASH IS COMPRISED OF:				
Cash			1,057,820	
Bank indebtedness			(94,591)	
			963,229	

SUPPLEMENTARY CASH FLOW INFORMATION (Note 17)

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.