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NEWS RELEASE
 March 3, 2006

TSX-V:AAG
 Sedar Profile # 00003879

**ANDEAN AMERICAN REPORTS THIRD QUARTER FINANCIAL RESULTS;
 REPORTS 30% SALES INCREASE FOR CALENDAR YEAR 2005**

The Board of Directors of Andean American Mining Corp. (TSX-V-AAG) is pleased to provide financial results for the Quarter ended December 31, 2005. The results are as expected as the company continues to operate with a positive cash flow. Sales increased 30% in calendar year 2005 over calendar year 2004. The company has had an active quarter initiating the first phase drill program by sending geologists and geophysical personnel to Sinchao, finalizing community agreements at Sinchao, verifying the historical resources and preparing the infill drill program at the 13,900 hectares Invicta project.

Highlights:

Revenue and Operating Expenses: Revenues for the nine months were up 14% over a year earlier compared to the same period in 2004, while cost of sales was up only 54% over the previous year. Depletion and Depreciation were up 74%, reflecting the significant increase in the underlying asset base and the higher units of production.

Sales: The Company sold 3,157ozs (2,923 ozs Au and 234 ozs Au equivalent) in the quarter up over the previous year by 28% but down 18% from the previous quarter. Gold recoveries continued to be hampered in the period due to the difficulties with the silver precipitate circuit. The rainy season induced turbidity and filter press bags continue to be a problem. A new technician has been brought in to resolve the problems. In January 2006, recycled production was 47,522 tonnes and is programmed to reach 100,000 TPM in June.

Current Assets and Liabilities: Current assets were up 57% over March 31, 2005 and exceeded total liabilities by \$1.6 million. Liabilities decreased by \$3.6 million primarily due to the retirement of the production debenture, payments of capital leases, repayments of long term debt and interest. Current assets surpassed all liabilities for the first time since 1998, an indication of the strength of the company's growth strategy and the commitment of its management.

Shareholders' Equity: Improved in the quarter by \$7.1 million.

Balance Sheet:

Balance Sheet:	December 31, 2005	As at March 31, 2005
	\$	\$
Assets		
Current	7,030.4	6,312.7
Non-current	41,408.0	40,505.2
Total Assets	48,438.4	44,969
Liabilities		
Current	5,434.1	7,921.5
Non-current	103.0	1,224.2
Shareholders' equity	42,901.3	35,824.0
Total Liabilities & Shareholders' equity	48,438.4	44,969.7

Operations Results:

QUARTERLY GOLD AND SILVER SALES
(since inception to December 31, 2005)

Quarter ending	<u>Gold sales</u> <u>ounces</u>	<u>Eq. ozs</u> <u>Silver</u>	<u>Total ozs</u> <u>Gold Equiv</u>	<u>Annual</u> <u>Improvement</u>
Dec 31, 2005	2,923	233	3,156	
Sept30, 2005	4,245	471	4,716	
Jun 30, 2005	5,852	522	6,374	
Mar 31, 2005	4,604	406	5,010	
Calendar 2005	<u>17,624</u>	<u>1,632</u>	<u>19,256</u>	<u>+ 30%</u>
Dec 31, 2004	4,730	270	5,000	
Sept 30, 2004	3,665	173	3,838	
June 30, 2004	3,052	199	3,251	
Mar 31, 2004	2,627	136	2,763	
Calendar 2004	<u>14,074</u>	<u>778</u>	<u>14,852</u>	<u>122%</u>
Dec 31, 2003	2,275	83	2,358	
Sept 30, 2003	1,440	58	1,498	
Jun 30, 2003	1,385	65	1,450	
Mar 31, 2003	1,340	47	1,387	
Calendar 2003	<u>6,440</u>	<u>253</u>	<u>6,693</u>	<u>- 4%</u>
Dec 31, 2002	2,194	13	2,207	Base
Sept30, 2002	2,554	15	2,569	Base
Jun 30, 2002	1,682	8	1,690	Base
Mar 31, 2002	536	4	540	
Calendar 2002	<u>6,966</u>	<u>40</u>	<u>7,006</u>	<u>Base</u>
*Start up Production	<u>1,806</u>	<u>0</u>	<u>1,806</u>	<u>Non Commercial</u>
Totals to Date	<u><u>46,910</u></u>	<u><u>2,703</u></u>	<u><u>49,613</u></u>	

Outlook:

Andean American is ready for a significant growth phase. The first phase of the Sinchao drill program involves the completion of a 3 dimensional model showing all types of mineralization down to 300-350 meters depth and is projected to be ready in March. The model will contain all of the current drill data and results from the 8,449 meters previously drilled. The model will also include geological information on the 5,000 meters of this years drill program.

With the Invicta validation program Andean geologists are re-logging and re-sampling drill core and measuring specific gravities in order to validate historical indicated resources. A 4,000 meter infill drill program is being prepared to continue with the discovery and verification process and to explore for possible further continuity of mineralization. Historical indicated resource estimated at 3.0 g/tonne cut off: 1.72 million tonnes, grading 6.16 Au g/t, 1% Cu and 54.43 Ag g/t . Further historical estimates at 1.0 g/t cut off indicate 3.5 million tonnes, grading 3.58 Au g/t, 0.68% Cu and 33.46 g/t Ag. (non NI 43-101 compliant). A NI 43-101 fully compliant technical report is being prepared.

At Santa Rosa, gold sales totaled 3,157 ounces for the quarter. After difficulties with the silver precipitate, operations began in January 2006. Recycle tonnages are forecast to reach 100,000 TPM by March 2006. This phase of operations requires much less heavy equipment use, does not need any drilling or blasting, and produces lower cash costs. Employment is at 255, down from its high when pads construction utilized more workers

Interim Financial Statements for December 31, 2005, are attached to this release, which should be read in conjunction with Notes to the Financial Statements and Management's Discussion and Analysis for the third quarter, which is filed by Andean American at www.sedar.com.

Andean American Mining Corp. (TSX.V-AAG) is focused on growth through acquisitions and the drill bit. The company is actively pursuing new targets of potential early stage gold and silver prospects. Andean American continues to maintain excellent community relations and a commitment to responsible environmental practices. The company has a strong management team with over 40 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 200,000 ounces of gold by 2010. For further information, please visit our website at www.andeanamerican.com.

On behalf of Andean American Mining Corp.,
"John Huguet"
John Huguet
President & CEO

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

	As at December 31, 2005 \$	As at March 31, 2005 \$
A S S E T S		
CURRENT ASSETS		
Cash	1,295,774	242,657
Restricted cash (Note 10)	432,750	565,285
Accounts receivable (Note 4)	624,119	782,445
Prepaid expenses	171,777	251,087
Minerals on pads & inventories (Note 5)	4,505,996	2,622,991
	7,030,416	4,464,465
RESTRICTED CASH (Note 10)	-	265,521
MINERAL ON PADS (Note 5)	1,663,842	3,020,174
MINERAL PROPERTIES AND DEFERRED COSTS (Note 6)	36,626,853	34,752,561
PROPERTY, PLANT AND EQUIPMENT (Note 7)	3,117,271	2,466,938
	41,407,966	40,505,194
	48,438,382	44,969,659
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	3,866,165	3,112,303
Accrued interest payable	-	321,465
Deferred income	-	137,605
Loans payable (Note 9)	81,671	312,999
Current portion of capital lease obligation (Note 10)	474,919	640,132
Current portion of debentures (Note 8)	-	2,643,401
Current portion of long term debt (Note 11)	1,011,365	753,610
	5,434,120	7,921,515
CAPITAL LEASE OBLIGATION (NOTE 10)	-	386,030
LONG TERM DEBT (NOTE 11)	-	725,760
PROVISION FOR RECLAMATION & CLOSURE COSTS (NOTE 12)	102,965	112,360
	5,537,085	9,145,665
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 13)	57,971,918	51,600,212
CONTRIBUTED SURPLUS	1,629,620	1,311,784
DEFICIT	(16,700,241)	(17,088,002)
	42,901,297	35,823,994
	48,438,382	44,969,659

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, 2005
 (Unaudited - Prepared by Management)

	Three Month Period Ended December 31		Nine Month Period Ended December 31	
	2005 \$	2004 \$	2005 \$	2004 \$
REVENUE				
Sales of metals	1,555,666	2,595,488	7,126,338	6,242,352
OPERATING EXPENSES				
Direct operating costs	1,062,320	724,120	3,954,467	2,572,450
Royalty expense	63,782	-	144,705	-
Amortization and depletion	236,840	327,260	939,460	538,744
Selling expenses	41,753	73,992	164,412	207,112
Reclamation	1,558	3,484	12,832	8,771
	<u>1,406,253</u>	<u>1,128,856</u>	<u>5,215,877</u>	<u>3,327,077</u>
GROSS PROFIT	149,413	1,466,632	1,910,461	2,915,275
OTHER EXPENSES				
General and administrative expenses	(287,040)	(305,309)	(974,430)	(1,076,545)
Interest expense	(37,205)	(169,071)	(244,558)	(391,189)
Other expenses (income)	21,585	(15,340)	10,359	(41,739)
Foreign exchange gain (loss)	(52,378)	107,240	205,770	249,564
Stock based compensation	(107,877)	(474,122)	(519,841)	(474,122)
	<u>(462,915)</u>	<u>(856,602)</u>	<u>(1,522,700)</u>	<u>(1,734,031)</u>
NET INCOME (LOSS)	(313,502)	610,030	387,761	1,181,244
DEFICIT – BEGINNING OF PERIOD	<u>(16,386,739)</u>	<u>(17,833,837)</u>	<u>(17,088,002)</u>	<u>(18,405,051)</u>
DEFICIT – END OF PERIOD	<u>(16,700,241)</u>	<u>(17,223,807)</u>	<u>(16,700,241)</u>	<u>(17,223,807)</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
BASIC	<u>50,620,481</u>	<u>43,354,043</u>	<u>46,834,535</u>	<u>43,052,024</u>
DILUTED	<u>51,622,585</u>		<u>47,836,639</u>	
EARNING (LOSS) PER COMMON SHARE				
BASIC	<u>(0.006)</u>	<u>0.014</u>	<u>0.008</u>	<u>0.027</u>
DILUTED	<u>(0.006)</u>		<u>0.008</u>	

ANDEAN AMERICAN MINING CORP.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2005
(Unaudited - Prepared by Management)

	Three Month Period Ended December 31		Nine Month Period Ended December 31	
	2005 \$	2004 \$	2005 \$	2004 \$
CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES				
Income (loss) for the period	(313,502)	610,030	387,761	1,181,244
Amortization and depletion	236,840	338,765	1,010,247	551,784
Provision for reclamation	1,558	3,484	12,832	8,771
Foreign exchange (gain) loss	9,878	(131,192)	(62,621)	(249,564)
Stock based compensation	107,877	474,122	519,841	474,122
	<u>42,051</u>	<u>1,295,209</u>	<u>1,868,060</u>	<u>1,966,357</u>
(Increase) (decrease) in accounts receivable	171,464	(175,335)	158,326	1,098,642
(Increase) in inventories	(33,587)	(470,767)	(526,673)	(1,311,598)
(Increase) decrease in prepaid expenses	127,438	-	79,310	-
Increase in accounts payable and accrued liabilities	557,974	162,318	753,864	863,385
Increase (decrease) in deferred income	(328,467)	20,513	(137,605)	(68,533)
Increase (decrease) in accrued interest payable	-	87,652	(321,465)	(54,191)
	<u>536,873</u>	<u>919,590</u>	<u>1,873,817</u>	<u>2,494,062</u>
INVESTING ACTIVITIES				
Mineral properties and deferred costs	(1,044,387)	(906,206)	(2,085,772)	(1,580,588)
Property, plant and equipment	(614,763)	(142,860)	(997,045)	(259,262)
	<u>(1,659,150)</u>	<u>(1,049,066)</u>	<u>(3,082,817)</u>	<u>(1,839,849)</u>
FINANCING ACTIVITIES				
Payment of debentures	-	-	(1,924,757)	(614,656)
Common shares issued for cash	126,305	57,900	4,996,796	526,297
Payment of long term debt	(72,875)	(164,048)	(428,889)	(469,524)
Payment of loans payable	(81,831)	240,243	(381,033)	(309,307)
	<u>(28,401)</u>	<u>134,095</u>	<u>2,262,117</u>	<u>(867,190)</u>
INCREASE (DECREASE) IN CASH DURING PERIOD	(1,150,678)	4,619	1,053,117	(212,977)
CASH - BEGINNING OF PERIOD	<u>2,446,452</u>	<u>5,831</u>	<u>242,657</u>	<u>223,427</u>
CASH -END OF PERIOD	<u><u>1,295,774</u></u>	<u><u>10,450</u></u>	<u><u>1,295,774</u></u>	<u><u>10,450</u></u>

SUPPLEMENTARY CASH FLOW INFORMATION (Note 18)

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