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**NEWS RELEASE**  
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TSX-V:AAG  
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**ANDEAN AMERICAN MINING ANNOUNCES SIGNING OF COMMUNITY AGREEMENTS AND INITIATION OF REMEDIATION PROGRAM AT SINCHAO PROJECT**

Andean American Mining Corp. (TSX.V-AAG) is pleased to announce that an agreement with the community of Chugur, located approximately 10 kilometers north of the Sinchao property, has been fully signed and approved. This marks the first time in over ten years that the community of Chugur has signed such an agreement with any mining company and it is a significant achievement. A remediation program has been developed to deal with environmental issues created by other companies' mining activities in the past and this program is being initiated with the full cooperation and participation of the Chugur community. Andean American engineers in the area are operating together with the residents of Chugur to facilitate the remediation activities and residents are supportive of the progress to date.

“The finalization of these agreements clearly demonstrates our commitment to the communities located near our mining projects” states Andrew Gourlay, President, Sinchao Metals Corp., “The endorsement and cooperation of Chugur residents is a validation of the high level of dedication that we have to environmental sustainability and social responsibility at all of our projects.”

The only other community close to the Sinchao property is Tingo to the south, which has worked with Andean American Mining in the past and fully supports the current activities in the area.

With these agreements in place and the remediation program initiated, Sinchao Metals is ready to proceed with its planned next phase of exploration, part of which will consist of state of the art 3D Induced Polarization and ground magnetic surveys and diamond drill testing of the Breccia Zone.

The Sinchao property is owned by Sinchao Metals Corp., a company owned as to two-thirds by Andean American. As detailed in the Andean American news release of July 17, 2006, it is proposed that Sinchao Metals Corp. will merge with Dolce Enterprises Inc., a CPC to be listed on the TSX Venture Exchange. Closing of the merger remains subject to shareholder and regulatory approval.

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. Visit our website at [www.andeanamerican.com](http://www.andeanamerican.com) for detailed information on company projects, corporate updates and video presentations.

On behalf of Andean American Mining Corp.,

“John Huguet”  
John Huguet  
President & CEO

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.