

Sinchao Drilling Update

Andean American Mining Corp. (TSX-V: AAG) advises further to our news release dated December 12, 2005, the Company is pleased to report that the crew of geologists and the geophysical team are now in the process of completing all necessary work required to start up our first phase drill program.

The first phase program will be focused in drilling the fault-breccia zone. Geophysical work done in 1998 indicated this structure may have a continuity of approximately 2 kilometers to the northwest and remains open in that direction. This was observed by a coincidental elongated resistivity geophysical anomaly. The first step of the first phase program is to complete a 3 dimensional model showing all the styles of mineralization down to 300-350 meters depth. (The Company already has a 3 dimensional model with all previous drill hole data included, so far it goes down to 150 meters). With this model the Company will have guidance for both phases of the drill programs. It is believed this model will speak clearly about the Types of mineralization and the continuity of mineralization. The model will contain all of the actual drill results from the 8,449 meters of previous drilling and will be updated to include the 5,000 meters of this current program. Depending on the actual results obtained the Company will develop further plans. If the mineralized fault breccia is found to be continuous along strike to the type of continuity experienced to date, then resource calculations would be justified.

In addition further metallurgical samples and studies will be performed concurrently with this drill program.

First Drill Target

The mineralized fault and breccia zone is believed to be associated with the Sinchao fault zone. In 1998 three-diamond drill holes (SDH-05, 07 and 10) defined a zone approximately 100 meters wide by 300 meters in length. This zone remains open to the northwest and southeast. Highlights of some of the well mineralized intervals include:

Hole No.	From (m)	To (m)	Total (m)	Gold g/t	Silver g/t	Copper %	Zinc %
SDH-05	104	452	348	0.37	14.7	0.68	0.34
including	230	294	64	0.51	21.47	0.76	0.89
SDH-07	11	563	552	0.42	11.9	0.30	0.20
including	191	389	198	0.84	23.69	0.56	0.32
SDH-10	78	406	328	0.60	18.0	0.45	0.32
including	134	186	52	0.83	33.41	0.80	0.80

The first phase program will consist of drilling a total of 2,500 meters across the mineralized area identified in drill holes SDH-05, 07 and 10. The initial program will provide the attitude (true width, dip and general geometry) of the mineralized fault-breccia zone and will also confirm the 1998 drill results. Soon after, contingent upon the first drill results, a second phase drilling will begin. This 2nd phase program will consist of approximately 3,000m of drilling. Drill holes will be spaced out along this mineralized trend in order to confirm its continuity, volume and grade. Drilling is expected to start in the second half of February, after the new geophysical survey and 3-D modeling are completed.

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In addition the Company has been completing the road upgrade and the environmental remediation as per the Community agreements.

Mr. Victor Jaramillo, P.Geo (the qualified person) has reviewed and approved the technical disclosure in this news release.

Presidential Elections

A poll recently published by the Catholic University of Peru, shows an impressive jump in vote intention for the right oriented candidate Lourdes Flores (Unidad Nacional), who counts with 38.0% support compared to 28.0% in December 2005. The nationalistic presidential candidate Ollanta Humala (Unión por el Perú) remained stagnant at 16.0%, while Alan García (Partido Aprista Peruano) slightly rose to 12.0% from 11.0% and Valentín Paniagua (Acción Popular) decreased to 5.0% from 13.0%. The poll also indicates that Flores would win an eventual runoff with 63.0% of the votes, while Humala would count with 23.0%. The most remarkable conclusions of the poll are: 1) the impressive recovery of Lourdes Flores, 2) the inability of Humala continue growing in the polls and 3) the migration of votes from Paniagua to Lourdes consolidating her as the favorite candidate from the right. According to the poll the main reasons that support Lourdes' vote intention are: her goods proposals, that she is a woman and that she has clear goals for the country.

Santa Rosa Mine

The results from the quarter ending December 31, 2005 will be published in more detail with our quarterly results. Gold sales totaled 3,162 ounces in the quarter. Gold production in the quarter is expected to exceed 4,000 ounces from the fresh and recycled production. Mine total employment is currently at 285, down from it's high when Pads construction utilized more workers.

The silver precipitate began operations in the 1st half of January, as did the recycle program. Recycle tonnages are forecast to reach 100,000 TPM for March. This phase of operations requires much less heavy equipment use, does not need any drilling or blasting and produces lower cash costs.

Andean American Mining Corp. (TSX-V-AAG) is focused on gold mining, exploration and development with its head office in Vancouver and operations in Peru. The company is a low cost, growing profitable producer with sales up 12% in 2005. Andean is actively pursuing new opportunities and has recently acquired lands from Barrick. With its current and new properties, with its strong management team and with a commitment to steady growth and financial viability, Andean is well positioned to become a leading organization in the mining industry.

For further information contact Nancy Massicotte at: (604) 507-3377 or toll free: 1-866-503-3377 or Sheera Waisman at: (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
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.