

MINING OPERATIONS ENCOUNTER HIGHER GRADES AT SANTA ROSA

Vancouver, BC, September 10, 2001 - Andean American Mining Corp is pleased to provide an update on the Santa Rosa Pilot Plant Project. The Santa Rosa Property is a 100% undivided interest under ownership and option by Andean American. The Santa Rosa properties are located 550 km southeast of Lima, Peru. New geological results and evidence from the current mining in the Open Pit of the Santa Rosa Pilot Plant Project are having a positive effect on current grades and importantly may have a positive effect on the current resources, both in terms of higher tonnage and gold grades.

During the process of open pit development we have confirmed the addition of a significant new massive oxide gold mineralized layer at the base of volcanics in contact with mineralized limestones. Within the replaced limestones gold mineralization is mostly siliceous and in the overlying volcanics gold mineralization is mainly composed of clay size material.

Evidence for this has been observed during the process of blasting and stripping siliceous and clay type gold mineralization between cross sections 00 to 60, along benches 4000 south and north. Here a continuous area of approximately 170 metres long by 60 metres wide of massive gold mineralization has been uncovered. In the north sector of this bench, clay type mineralization has been exposed, so far to a vertical depth of approximately 14 metres. Siliceous mineralization in bench 4000-south has an average grade of 9.35 g/t Au. and mineralization to the north in the volcanics has an average grade of approximately 5.9 g/t Au. This mineralized area remains open in all directions. (Check assays by CIM Laboratories, Lima)

To date, sampling of blast holes (2 metre by 1 metre pattern) show excellent continuity of the gold mineralization with a significant increase in gold grades. Areas of massive barite have been observed near the top of the mineralized areas with grades averaging greater than 3.0 g/t gold. (Barite is typically found at the upper sections of epithermal gold deposits.)

Recently, detailed information on recoveries from the RC holes drilled in 1997 has been located at the mine site. It has been determined that some of these RC holes had low recoveries of the fines in the clay mineralized layers. The Company will use this new information, as well as, the blast hole data, new sampling and geological information to prepare and upgrade the current resources. In this regard Snowden Mining Industry Consultants Inc. have been retained to review and if warranted upgrade the resources.

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On behalf of Andean American Mining Corp

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