

## **Santa Rosa Pilot Plant - Expansion Plans**

VANCOUVER, British Columbia, Nov. 1, 2001 -- Andean American Mining Corp. (CDNX:AAG) is pleased to announce that the Santa Rosa Pilot Plant, in southern Peru, has now demonstrated economic viability and will be expanded early in the new year to its full permitted capacity of 3,250 tons per day (as first announced May 25, 2000 and confirmed May 7, 2001). The pilot plant continues to undergo start-up adjustments.

Purchase of the required additional equipment is now underway in Peru. The principle equipment additions include primary, secondary, and tertiary crushers as well as apron feeders, hoppers, conveyors, vibratory screens, control panels, and agglomeration, adsorption and desorption equipment. Site work will also prepare for the additional pads, ponds, and infrastructure. Once two consecutive months of 1,000 TPD operation has been achieved, the company will begin the construction of the on-site water and sewage treatment plants.

The budgeted production for the plant modifications and expansion is to be phased in over the next several quarters as follows:

Up to Mar. 31, 2002 - 700 TPD average  
Quarter ending June 30, 2002 - 900 TPD average  
Quarter ending Sept. 30, 2002 - 1,600 TPD average  
Quarter ending Mar. 31, 2003 - 2,500 TPD average  
Then ongoing - 3,200 TPD average

The expansion will have a beneficial effect on the number of ounces produced, the cost per ton, the cost per recovered ounce of gold before and after silver credits, and the net operating revenues.

Operating Costs are currently running at \$10.50 per ton and a recovered ounce of gold at \$103.41 gross and \$61.80 net after silver credits. These costs will be reduced with production increments and settle in well below \$100.00 gross and \$35.00 net if production rates and recoveries perform as budgeted.

The Company is confident of meeting the production budgets and is aware of the climatic conditions. However, the budgets are only plans and actual results will be forthcoming on a quarterly basis.

### Corporate Developments

The Company is pleased to advise that Lindsay R. Bottomer, P. Geo. has joined the advisory board of the Company. Lindsay brings extensive experience in both early-stage exploration and production projects. Lindsay graduated with a B.Sc. from University of Queensland in 1971 (First Class Honors) and completed a Masters in Applied Mineral Exploration at McGill in 1975.

Lindsay is known and well respected throughout the geological community. He is currently the President of Southern Rio Resources. Lindsay is proficient in Spanish and has previously visited the Santa Rosa Project in the capacity of a Qualified Person working for Andean American.

### Corporate Finance

The Company has, subject to regulatory approval, granted 50,000 three-year options at .35 cents to Lindsay Bottomer.

For further information, please contact: John Devlin at (866) 885-0484 or [jdevlin@aag-cdnx.com](mailto:jdevlin@aag-cdnx.com), or the Company by phone: (604) 681-6186, toll free: (888) 356-4784 and Fax: (604) 681-3652 email: [info@andeanamerican.com](mailto:info@andeanamerican.com) or [info@aag-cdnx.com](mailto:info@aag-cdnx.com) Web site: [www.andeanamerican.com](http://www.andeanamerican.com)

On behalf of Andean American Mining Corp

'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 Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

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