

The Carelo Zone – Continued Encouraging Results

Vancouver, BC, October 23, 2002 - Andean American Mining Corp. (TSX-V:AAG) is pleased to provide additional information on highly significant values intersected from its ongoing exploration of the Carelo zone of the Santa Rosa property in the southern Peru. The Santa Rosa Property is within the southern intercordilleran belt of the Peruvian Andes and is approximately 550 km southeast of Lima. The Santa Rosa Mine is currently mining the Open Pit Zone, a structurally controlled epithermal deposit, at a rate of 1,500 tonnes per day. (Production 1,000 TPD and stockpile 500 TPD). The 15,700 hectares Santa Rosa Property is 100% wholly owned by Andean American (previously optioned).

The Carelo Zone is one of the twenty (20) known mineralized gold and silver targets that have been identified within the property and is located only 500 metres to the northeast of the current mining operations. The zone is between the mine and the processing facilities and is only 1.1 km by road from the crusher. The zone currently measures 300 by 300 metres and forms a small hill with steep exposures on three sides. To date three separate areas of mineralization have been identified in Carelo: the eastern area, the central area, and the southern area. The styles of epithermal mineralization identified to date within the Carelo Zone are similar to those within the Open Pit Zone in that there are northwest trending sub-vertical silica structures surrounded by sub-horizontal clay-rich mineralization hosted in limestones.

The latest work in Carelo was concentrated in the southern Carelo area and consisted of 84.5 metres of trenching in 4 trenches and channel chip sampling a recently discovered exposure.

The new exposure consists of lenticular pods of massive silica within strongly altered limestone and is located at the extreme western edge of the zone, approximately 55 metres west of the previous trenching in the area. The exposure was cleared of brush and topsoil and is now approximately 9 by 5 metres in size. A total of seven samples ranging from 1.5 to 2 metres were taken in 3 parallel sample lines and returned a weighted average of 6.08 g/t gold and 116.4 g/t silver. A smaller exposure 5 metres along strike to the northwest was also cleared and returned 3.18 g/t gold and 47.8 g/t silver over one metre. The actual results are as follows:

	Width (m)	Au (g/t)	Ag (g/t)		Average Au (g/t)	Average Ag (g/t)		Total average Au (g/t)	Total average Ag (g/t)
Channel 1									
	2.0	0.72	211.3						
	1.6	6.09	8.4		3.11	121.1			
Channel 2									
	2.0	9.52	68.5						
	2.0	8.73	250.0	**					
	2.0	7.03	91.4		8.43	136.7			
channel 3									
	2.0	8.05	131.7						
	1.5	1.16	3.3		5.10	76.7		6.08	116.4
small exposure									
	1.0	3.18	47.8						

** NOTE: this sample was cut from 864.46 g/t silver to 250.0 g/t silver.

Twelve metres along strike to the southeast a crosscutting trench intersected rare silica (locally as stringers) within strongly altered zones of limestone with the following results:

Trench # 5		
Width (m)	Au (g/t)	Ag (g/t)
2.0	1.6	16.8
2.0	0.03	1.1
2.0	2.50	141.0
2.0	0.30	7.6
2.0	0.03	0.5
2.0	1.39	143.5

Eight metres to the south of this trench additional mineralization was encountered and sampled with two additional samples that graded 0.46 g/t gold and 31.5 g/t silver and 1.2 g/t gold and 3.5 g/t silver over 0.6 and 1.2 metres respectively. This additional mineralization indicates that the width of this newly discovered zone of mineralization has the potential to be greater than 15 metres in width. To date it has been sampled over a strike length of 25 metres.

Subtle structural data has been noted within the trenches previously dug in the area (see News Release dated October 10, 2002) indicating that the strike of the mineralization is parallel to the rest of the Carelo Zone and hence the previous sampling was done along strike. Trenches were then dug perpendicular to the previous trenches and very similar values were intersected through the target areas. Both trenches intersected limestone and/or intrusive to the northeast (in contact with the mineralization) with anomalous results up to 0.20 g/t gold and 9.7 g/t silver. The highlights of each trench are as follows:

Trench # 2						
Width (m)	Au (g/t)	Au (g/t)	Average Au (g/t)	Average Au (g/t)	Average Au (g/t) for 4.0 m	Average Au (g/t) for 4.0 m
2.0	5.42	5.9				
2.0	37.18	30.0				
2.0	16.75	18.9			26.97	24.4
2.0	0.96	3.3	15.02	14.5		
Trench # 3						
Width (m)	Au (g/t)	Au (g/t)	Average Au (g/t)	Average Au (g/t)	Average Au (g/t) for 4.0 m	Average Au (g/t) for 4.0 m
1.5	0.84	1.9				
2.0	15.75	33.3				
2.0	12.22	27.6			13.99	30.5
2.0	1.43	361.8	8.01	113.1		

A fourth trench was dug 20 metres to the southeast of the above trenches and only anomalous values (up to 0.44 g/t gold) were intersected in weakly altered limestone. These results confirm the high grade nature of the mineralization in the southern area of the Carelo Zone. The mineralization of the central area of the Carelo Zone is now the subject of the ongoing trenching program and results will be released when available.

Due to its ideal location (being between the current operations and the processing facilities), Carelo is targeted as the first of several zones that could ultimately add additional mine life for the expansion of the Santa Rosa production facility. This exploration of the Carelo Zone is designed to further define the extent and grade of the mineralization with the aim of defining potential drill targets

Andean American's objective is to create shareholder value through low cost mine development. At Santa Rosa, through higher process rates and continued process refinements the aim is to have production costs in the lowest quartile for the industry. The mine is now in commercial production and this is seen as a realistic goal as Peru is host to two of the world's lowest cost producers of gold, Yanacocha and Pierina - both of which are high altitude heap leach operations.

To find out more about Andean American Mining Corp. (TSX-V: AAG), visit our new website at www.andeanamerican.com . For further information, please contact: John Devlin at 1-866-885-0484 and jdevlin@andeanamerican.com or Windward Communications at 1-866-238-1185 or the Company at: (604) 681-6186 or toll free: 1-888-356-4784 and email: info@andeanamerican.com

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