

ANDEAN AMERICAN ACHIEVES RECORD GOLD SALES FOR QUARTER ENDED SEPTEMBER 30, 2004

Vancouver, BC., October 15, 2004. Andean American Mining Corp. (TSX-V:AAG) is pleased to provide the production results for the period ended September 30, 2004 for its 100 percent owned Santa Rosa mine located in southeastern Peru.

“The aggressive expansion of the two new pits and the ADR plant is starting to show the results we based decisions upon,” said John Huguet, Chairman of the Board returning from the mine site October 4, 2004.

Gold stacked on leach pads was 8,256 ounces in the quarter up, 125% over the same period last year and importantly also up 17% from the previous quarter, which was also a record quarter. Gold grades remained at 2.1 g/t for the last two quarters. Gold sales for the quarter were 3,665 ounces up more than 150% over the same quarter last year and a 20% improvement over the previous record for quarterly sales (June 30, 2004).

Despite a poor second half of August and first half of September caused by a serious carbon problem, budgeted production and sale of gold and silver were achieved in the quarter.

At over 210,000 ounces, silver stacked on leach pads was also a record for the quarter up, more than 300% from the same quarter last year. Silver grade averaged 1.5 ounces per tonne. Silver sales, however, were only 10,300 ounces in the quarter down 15% from the previous quarter’s record high.

Fresh ore mined, crushed agglomerated and placed on pads in the quarter were 122,362 metric tonnes up 18% from the previous quarter, establishing a new production benchmark. This represents a 150% improvement over the same period last year.

GOLD AND SILVER RECOVERIES

The Company is on schedule to start high cyanide treatment for the first recycled production of 20,000 tonnes of previously leached ore in November. The Company has continued metallurgical investigations with a view to improving gold and silver recoveries and is now convinced maximum silver recovery will be achieved through treatment with a modified acid-chlorurant (agua rejia) reagent rather than cyanide.

- To provide for this distinct possibility, the Company is loading the recycled leach pads in such a way that an entire 6” diameter drainage collection system is installed every 3.2 meters of loaded pad height.
- Additionally, Pad 5 will be fully operational this month bringing the gross pad surface area to 72,000 square meters (this area diminished as pads are loaded to provide an angle of repose), accommodating the space requirements for the recycled program.
- The new atomic absorption equipment is functioning fully which provides very fast turnaround to the Quality Assurance/Quality Control operation in the pit. This in turn allows less dilution and higher processed grade to be realized.

PLANNED PRODUCTION

The new production model focuses on producing cash. The current production of 50,000 tonnes per month of fresh ore is planned to continue for the next 8 quarters, then increase to 100,000 TPM

Recycled production is scheduled to begin in November and increase as shown below:

PLANNED PRODUCTION TONNAGE

QUARTER ENDING	FRESH	RECYCLED	TOTAL
December 31, 2004	150,000	50,000	200,000
March 31, 2005	150,000	140,000	290,000
June 30, 2005	150,000	150,000	300,000
September 30, 2005	150,000	225,000	375,000
December 31, 2005	150,000	300,000	450,000
March 31, 2006	150,000	300,000	450,000
June 30, 2006	150,000	300,000	450,000
September 30, 2006	150,000	300,000	450,000
December 31, 2006	300,000	300,000	600,000

This is planned production and subject to all the risks associated with planning. We have, however, achieved planned production targets for the last 2 quarters. This is an achievement considering we were also performing initial pit development work for the new Carelo and Southern Structure pits and greatly expanding the leach pads, ADR plant, major events ponds, laboratory and camp facilities.

This production plan essentially focuses on fresh production while aggressively converting all the inventory into cash. At September 30, 2004, there were 33,700 ounces of gold and more than 940,000 ounces of silver on the pads, in the process of being recovered and sold. More than 90% of the costs associated with the eventual sale have already been paid for, so the final step is to create positive cash flow.

A PowerPoint presentation detailing all quarterly production data from commercial production up to now will be posted on the company's website, www.andeanamerican.com, shortly.

Andean American's objective is to create shareholder value through low cost mine development and exploration. Andean American; producing, profitable, expanding and exploring.

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: Hai Van Le at: (604) 681-6186 or toll free: 1-888-356-4784 and email: hai@andeanamerican.com

On behalf of Andean American Mining Corp.,

“John Huguet”
John Huguet
President & CEO

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