

Andean America Provides Financial Results for the Year Ended March 31, 2004 and 1st Quarter Ended June 30, 2004

Vancouver, B.C., September 2, 2004 - The Board of Directors of Andean American Mining Corp. (TSX-V: AAG) is pleased to provide Financial results for the year ended March 31, 2004 and the Quarter ended June 30, 2004.

In highlight form

<u>Balance Sheet:</u>	Jun 30, 04	Mar 31, 04	Jun 30, 03	Mar 31, 03
	\$	\$	\$	\$
Current Assets	5,193,445	6,312,686	4,145,333	3,766,725
Long Term Assets	<u>35,310,107</u>	<u>35,078,883</u>	<u>32,339,977</u>	<u>31,946,326</u>
Total Assets	<u><u>40,503,552</u></u>	<u><u>41,391,569</u></u>	<u><u>36,485,310</u></u>	<u><u>35,713,051</u></u>
	\$	\$	\$	\$
Current Liabilities	5,960,655	4,177,881	8,132,112	5,221,720
Long Term Liabilities	<u>1,312,871</u>	<u>3,923,277</u>	<u>19,018</u>	<u>2,783,135</u>
	7,273,526	8,641,158	8,151,130	8,004,855
Shareholders Equity	<u>33,230,026</u>	<u>32,750,411</u>	<u>28,334,180</u>	<u>27,708,196</u>
Total Liabilities and Shareholders	<u><u>40,503,552</u></u>	<u><u>41,391,569</u></u>	<u><u>36,485,310</u></u>	<u><u>35,713,051</u></u>

The asset purchase agreement for the Minera paracay lands is now fully considered in the balance sheet. There are no off balance sheet commitments. Through 3rd fiscal quarter, 2003, the Minera Paracay property agreement was an option agreement only and therefore approximately 2.2 million Canadian was off balance sheet commitment.

INCOME STATEMENT:	Jun 30, 04	Jun 30, 03
	\$	\$
Sales	1,614,038	635,625
Cost of sales including depletion and reclamation and depreciation	<u>820,096</u>	<u>351,309</u>
Earning from mining operations	793,942	284,316
Selling expenses	58,677	22,162
Administrative expenses	<u>370,669</u>	<u>221,684</u>
Income before other items	432,243	40,470
Other Items-Interest and foreign exchange	<u>75,037</u>	<u>(37,854)</u>
Income for Period	<u><u>348,206</u></u>	<u><u>78,324</u></u>

Actual operations results for sale of gold and silver in the respective quarters:

	<u>Ounces</u>	<u>Ounces</u>
Gold on Pads	7,044.5	5,975
Gold Sold	3,052.0	1,385
Gold Inventoried	1,858	2,780
Silver on Pads	136,860	81,675
Silver Sold	11,947	3,873
Silver inventoried	0	0

Note: Recycling of Gold and Silvers on the Pads will begin with the commissioning of a new silver precipitate circuit scheduled to begin in the 3rd fiscal quarter (4th Calendar Quarter). Gold and Silver on

the pads at June 30th totaled 28,242 ounces gold and 762,806 silver. In line with the lower of cost on market rule, zero value is assigned to silver, and approximately \$140.00 per ounce to gold.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN CASH FLOW

CASH PROVIDED (USED FOR) FROM OPERATING ACTIVITIES	June 30, 2004 \$	June 30, 2003 \$
Income, Depreciation and Depletion	450,425	142,976
Decrease in accounts receivable	1,406,768	(10,976)
Increase (decrease) in liabilities	(363,155)	322,386
Increase in inventories	(474,821)	(412,582)
Increase (decrease) deferred income	(65,172)	0
	<u>954,045</u>	<u>41,804</u>
INVESTING ACTIVITIES		
Increase in mineral properties, plant and equipment	(324,576)	(455,069)
	<u>629,469</u>	<u>(413,265)</u>
FINANCING ACTIVITIES		
Repayment of debt and payables	(914,230)	(179,345)
Common shares issued for debt		119,425
Common shares issued for cash	158,284	428,235
Increase (decrease) in cash during period	(126,477)	(44,950)
Cash – end of period	<u>96,950</u>	<u>67,525</u>

Management Note:

Andean American has come through a learning experience and won the battle, with continued growth now solidly in front of the company. The exploration program was a success, soon the new reserves and resource estimates will be available for publication (within 60 days). Our silver precipitate circuits should be commissioned next month. We should start to convert our inventories of gold and silver into cash in this calendar year.

We have finally converted some our accounts receivables into cash with receipt of payment from the Peruvian Tax authorities. Much more work remains to bring the cash flows well ahead of the costs. This will be vigorously pursued in the coming months.

The focus of the company is finding, exploring and converting assets into cash and earnings for our shareholders with these priorities in mind additional emphasis on activities tailored, to these goals, as aforementioned for increased production, reduction of inventories and receivables and through additional exploration at Santa Rosa and Sinchao we plan to realize values on the assets within our control.

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

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