

ANDEAN AMERICAN ACHIEVES RECORD GOLD SALES FOR 1ST QTR 2005 (APRIL - JUNE)

Vancouver, B.C., July 21, 2004 - Andean American Mining Corp. has provided announce production results from its 100-per-cent-owned Santa Rosa mine, located in southeast Peru.

Gold produced was over 7,000 ounces in the quarter up 26 per cent over the same period last year. Importantly, gold sales were over 3,000 ounces, up over 120 per cent from the same period last year. Silver production was over 135,000 ounces in the quarter, up over 67 per cent from the same period last year. (Silver sales are insignificant but improved by 210 per cent.)

Mining operations continued throughout the first quarter of the new fiscal year from structures 1 to 6 in the open pit zone. Initial pit development continues in both Carelo and the Southern structure although very near completion in the new Carelo pit. Importantly, total mine handle for the quarter reached 517,000 metric tonnes including 286,831 metric tonnes of initial pit development work for the new Carelo and Southern structure pits. Mineral production amounted to 145,000 metric tonnes dry and mine waste of 85,000 metric tonnes to yield a very respectable 0.6:1 waste-to-ore ratio. Total mine handle tonnage for the last five quarters were:

Quarter ended	Tonnes
June 30, 2003	130,000
Sept 30, 2003	200,000
Dec. 31, 2003	302,000
March 31, 2004	355,000
June 30, 2005	517,000

Total mine handle tonnage in the first quarter increased 297 per cent from the same quarter last year. Once initial pit development activities have been completed, this capacity will be dedicated to normal mining activities. The ability to produce the forecast tonnages for fresh mineral production and the planned recycled production has now been demonstrated.

Gold and silver recoveries

While gold recoveries are the priority, the silver recoveries through the new silver precipitate circuit may well be the key to realizing the available gold from the pads. The new silver precipitate circuit will free up the carbon in column ADR circuit to extract only gold. As an example, in the quarter ended June 30, 2004, 11,903 ounces of silver were extracted through the carbon in column plant and 3,052 ounces of gold.

Approximately 20 per cent of the carbon in column metal recovery capacity was dedicated to the recovery of gold. With the new silver precipitate circuit, the silver and copper will be initially eliminated from the pregnant solution prior to being processed through the carbon in column plant, thus providing an incremental capacity increase of approximately 400 per cent for gold. Perhaps, more importantly, finally allowing full-strength cyanidation of the leach pads.

Gold recoveries have been as high as 65 per cent on average through the first quarter of 2003 but since the heavy clays were encountered in April of 2003, recoveries dropped as low as 25 per cent and have now climbed back up into the 50s. A long way still to go, but definitely making progress.

GOLD SALES AND AVERAGE PRICES

Quarter ended	Gold sales (oz)	Average price
June 30, 2003	1,385	\$337.00
Sept 30, 2003	1,440	\$350.00
Dec 31, 2003	2,275	\$388.40
Mar 31, 2004	2,627	\$360.64
June 30, 2004	3,052	\$411.21

Silver prices were \$4.97, \$5.18, \$6.26, \$7.37 and \$7.13, respectively.

The good news is over 28,000 ounces of gold and over 760,000 ounces of silver are on the pads as of June 30, 2004. Recent tests have indicated solubility for gold above 90 per cent and silver above 40 per cent. The company has planned for 45- to 65-per-cent recovery of golds, on an 80-centimetre height module for a seven-day intense leach.

Andean American's objective is to create shareholder value through low-cost mine development and exploration. 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.

WARNING: The company relies upon litigation protection for "forward-looking" statements.