

ANDEAN AMERICAN SIGNS COMMUNITY AGREEMENTS, ANNOUNCES FORMATION OF NEW DIVISION

Vancouver, B.C, October 17, 2005. Andean American Mining Corp. (TSX-V:AAG) is pleased to report on its activities regarding community agreements at Santa Rosa and Sinchao. Also, in recognition of the marked increase in the exploration area, Andean has formed a new division with separate offices and administration but common management, legal and accounting. The division is Andean Explorations (ANDEX) and is headed by Luis Vela, Chief Geologist. When fully staffed, by the end of this month, Andex should have 9 geologists gainfully employed. This is in addition to the geological staff supporting operations at the Santa Rosa Mine.

Further to the April 27, 2005 program outline update for the 2005 season, this update is provided to September 30, 2005.

A) SANTA ROSA MINE SITE

A community meeting will be held October 25, 2005 to approve the program for RIO. The drill program will be controlled by Mine Operations.

B) SANTA ROSA REGIONAL

The Mamara project is the focus of this year's program. A Community Agreement was signed Sunday October 16, 2005 to allow this work to proceed. A full program has been put together by Andean Explorations to achieve a \$1.5 million program, the first phase of which is authorized now to proceed. The balance will be results driven.

C) SINCHAO

A new community agreement has been reached with the community of Tingo. Some government delineation of municipal boundaries was necessary to define community limits between the community of Tingo and Chugur Community meetings with Chugur and the Department of Energy and Mines are set for October 25, 2005.

Andean has contracted for an additional 35 line kilometers of geophysical work with ARCE S.A. The 7 dipole to dipole program will be the basis for a new 3 dimensional model down to 350 meters depth. The original discovery was made based on the magnetic anomaly shown in the original ARCE geophysical works. All drilling to date (approximately 8,450 meters) has confirmed the anomaly and importantly encountered strong mineralization (see news release of August 22, 2005).

Andean Explorations will be in charge of the program under the supervision of Luis Vela and Alejandro Trujillo. Both geologists have extensive experience in Peru and with Andean. The purpose of the magnetometry at this time is to prepare a clearer picture in 3 dimensions to assist our proposed new 5,000 meter diamond drill program. This work will proceed once the final Chugur community agreement is reached.

D) NEW ACQUISITIONS - PROSPECTIVE GROUND

Andean has maintained vigorous activity on 7 potential acquisition targets, three of which are well advanced and should have news forthcoming throughout this quarter.

Andean American Mining Corp. (TSX-V:AAG) is focused on gold mining, exploration and development with its head office in Vancouver and operations in Peru. The company is a low cost, profitable producer whose net income rose 114% in the 1st Quarter ended June 30, 2005. With its current and new properties, with its strong management team and with a commitment to steady growth and financial viability, Andean is well positioned to become a leading organization in the mining industry.

For further information, please visit our website at www.andeanamerican.com

On behalf of Andean American Mining Corp.

A handwritten signature in black ink, appearing to read "John Huguet". The signature is written in a cursive, flowing style.

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.