

Corporate Finance – Production Debenture

Vancouver, BC, November 29, 2001 - Andean American Mining Corp. is pleased to announce a production debenture financing of up to 5.0 million Canadian dollars in support of the needs of the corporation.

The terms of the new production debenture are such that the holders of the Series A, C and D debentures will be able to make a reinvestment decision. Verbal agreement has been received today representing over 86% of the funds in the referenced A and D debentures. This is a key figure as it requires 80% majority to make changes to the existing debenture. We are attempting to contact the balance of the debenture holders.

Documentation for the new production debenture is targeted for completion by Dec 17, 2001. The principal terms of the new debenture are, 12% interest payable quarterly, and the debenture holder will receive a warrant for each dollar of new debenture purchased. The warrants have a two year term and entitle the holder to purchase a common share at \$.50¢ Canadian in the first year and \$.60¢ Canadian in the second year. The intention is to retire and repay full principal and interest from production proceeds during 2002.

An amount of 25% of metal sales revenue or \$10.00 Canadian per tonne (whichever is greater, on a per sale basis, reconciled quarterly) will be paid on an imprest fund basis beginning with the first metal sales accomplished after the effective date of the debenture (Jan 1, 2002). The ½ of 1% NSR on the Santa Rosa Project previously granted to the Series D debenture holders will survive the conversion of the series D debentures and continue unamended. The issuer may prepay at any time without penalty. The debenture holders have the right to independently audit all metal sales and production records to their full satisfaction.

The new production debenture financing is subject to acceptance of filing with the regulatory authorities.

Andean American Mining Corp wishes to thank the investors for their confidence, patience and additional consideration.

On behalf of Andean American Mining Corp

"John F. Huguet"
President & CEO