

Andean reports Quarterly Financial Results

Vancouver, BC, November 25, 2002 - Andean American Mining Corp. (TSX-V:AAG) is pleased to provide this update on financial results for the quarter ended September 30, 2002.

This is the third consecutive quarter the Company has had operating income from its 100% owned Santa Rosa mine located in South Eastern Peru. Although measured against a humble beginning, the quarter over quarter comparisons are again indicative of significant improvements in sales and earnings from operations. The quarter still shows a small loss for the three month period of \$37,217 Canadian, but positive cash flow from operations of \$433,000 was produced.

The significant balance sheet items for the quarter are:

- Assets increased by \$2,746,054. Current assets by \$1,039,765
- Liabilities decreased by \$233,670 including current liabilities by \$2,299,935
- Shareholders equity increased by \$1,559,804.

Please see our web site for full details (www.andeanamerican.com)

	Three Month Period Ended September 30		Six Month Period Ended September 30	
	2002	2001	2002	2001
	\$	\$	\$	\$
SALES OF GOLD	1,120,493	-	1,880,961	-
COST OF SALES	687,133	-	1,109,782	-
DEPRECIATION AND DEPLETION	145,104		237,412	
RECLAMATION	2,044		4,528	
	834,281		1,351,722	
EARNINGS FROM MINING OPERATIONS	286,212		529,239	
ADMINISTRATIVE EXPENSES				
Administrative and management services	23,641	23,278	46,758	46,301
Bank charges	1,101	595	3,142	1,217
Depreciation	2,169	1,775	4,337	3,549

Investor relations	11,364	16,469	29,851	37,367
Office salaries and sundry	65,793	37,656	176,806	82,074
Office rent, parking, storage	17,249	16,896	34,473	38,996
Professional fees	17,386	3,270	36,596	8,168
Regulatory and transfer agent fees	6,398	10,040	10,389	11,857
Shareholder communications	6,825	17,003	11,426	17,690
Telecommunications	5,292	5,839	10,863	10,515
Travel and accommodation	12,084	12,456	16,717	20,512
	169,302	145,277	381,358	278,246
INCOME (LOSS) BEFORE OTHER ITEMS	116,910	(145,277)	147,881	(278,246)
OTHER ITEMS				
Foreign exchange gain (loss)	(2,670)	(782)	(2,642)	(2,183)
Interest on long-term debt and financing charges	(151,457)	(111,190)	(302,914)	(235,514)
Interest income	-	94	-	189
	(154,127)	(111,878)	(305,556)	(237,508)
LOSS FOR THE PERIOD	(37,217)	(257,155)	(157,675)	(515,754)
DEFICIT - BEGINNING OF PERIOD	(16,008,865)	(15,162,217)	(15,888,407)	(14,903,618)
DEFICIT - END OF PERIOD	<u>(16,046,082)</u>	<u>(15,419,372)</u>	<u>(16,046,082)</u>	<u>(15,419,372)</u>

Description of Business:

Andean American Mining Corp. is a Canadian based exploration and development company that operates solely in Peru. This South American nation has a long tradition of mining and proper treatment of the environment. Peru currently stands as the largest gold producer and second largest copper producer in Latin America as well as the second largest silver producer in the world.

During the year ended March 31, 2002, the Company developed and constructed a heap leach facility to extract gold from a small portion of its Santa Rosa property in Peru. Gold extraction and sale from this facility commenced in limited quantities in August 2001. By March 2002, production rates had increased and stabilized sufficiently that the Company declared the commencement of commercial production to be in March 2002. All costs and revenue to February 28, 2002, during the "start up" period, have been charged (credited) against development costs.

Operations Review

Continuous operations began at the Santa Rosa Mine in August of 2001. Commercial Production was deemed to have commenced for accounting purposes on March 1, 2002. All operating costs prior to commercial production are treated as "Start up" and have been capitalized. All revenues (\$788,490 Canadian) from gold sales until commercial production was achieved were applied to reduce the capitalized start up costs.

During the Quarter ended September 30, 2002, gold production amounted to 5,211 ounces with shipment of 2,556 ounces and 2,655 ounces to work in process inventory. This improved but still less than satisfactory recovery caused the Company to shift priorities from expansion to recoveries (see August 13 news release). Expansion continues, but at a greatly reduced pace, to allow the mine mill facility to produce the permitted 3,250 t.p.d. or 1,186,250 TPA.

The expansion project known as No. 2 Crushing facility includes:

Tripling pit production capacity, quintupling crushing capacity, tripling adsorption, desorption & recovery; tripling leach pads; camp expansions; additional community initiatives. Progress on the expansion project has been dictated by available cash flow. Opportunities to greatly increase the crushing facilities presented themselves during project development. As a consequence only 24% of jaw crushing and 12% of cone crushing capacity will be needed to run @ 3,250 T.P.D.

During the Quarter ended September 30, 2002, operations stabilized and, despite blasting problems which caused serious dilution during the Quarter and several equipment and contractor deficiencies, improved on a quarter over quarter basis for tonnes produced and unit cost for the production of each tonne of mined, crushed, agglomerated and leached mineral. Our mining operations will stockpile material over the next 3 months, targeting 500 – 1000 TPD.

Leaching, crushing and agglomeration will operate at 700 – 1,000 T.P.D. of fresh material. Recovery of recycled existing leached materials will begin during the present quarter. During the quarter, a luffing stacker installation was the top priority to address the low recoveries.

Our priority for the quarter was improved recoveries but due to problems with the drill and blast contractor they became secondary. Recycling of the 205,000 tonnes has now shifted to the No. 2 priority ahead of the Crusher Expansion Project.

The operating results quarter over quarter, are:

- 33% increase in tonnage.
- 43% increase in recoverable ounces of gold.
- 52% increase in ounces of gold shipped.

ACTUAL COMMERCIAL PRODUCTION

<i>Quarter ended</i>	<i>* March 31</i>	<i>June 30</i>	<i>September 30</i>
Tonnes to pads	13,308	64,353	85,427
Gold G/MT	2.95	2.54	2.71
Recoverable Ounces Produced	883	3636	5,211
Ounces Shipped	536	1,683	2,556
Ounces Inventoried	347	1,953	2,655
Accumulative Gold Inventory	2,241	4194	6849

** only one month's production*

Reclamation costs are determined in accordance with our Operation Permits and Environmental Impact Assessment. The required charge is provided for on a unit of production method to create a reserve for the eventuality of mine closure and restoration.

Exploration Update

Early in the quarter a reconnaissance visit was made to the Mamara Zone, which is within the 2,300 hectares of newly staked land that adds to the eastern end of the Santa Rosa Property. A 3 kilometer by 4 kilometer area of volcanics will draw considerable attention as soon as time permits.

Detailed exploration during the quarter was focused solely on the Virundo and Carelo Zones.

Exploration during the quarter in Virundo consisted of digging and sampling hand dug trenches. 112.3 metres of trenches and 15 shallow test pits were dug and sampled. All resulted in at least anomalous results and the entire 1,100 x 2,200 x 200 meters Virundo area remains open for further exploration.

The latest exploration within Carelo involved the digging of 42 shallow exploration pits and 148 metres of trenching. To date three separate areas of mineralization have been identified in Carelo: the eastern area, the central area, and the southern area. In each area there is clay alteration/mineralization in association with structurally controlled silica mineralization. Carelo will be the next significant area placed into production due to its proximity to the crushing facilities.

Deferred Mineral Properties, Exploration, and Plant and Equipment Expenditures

The most significant costs incurred as at September 30, 2002 related to the leaching plant. The Company expanded its adsorption desorption and recovery plant at a cost of about \$90,000, as well as the required pumps, piping and civil works. The leach pads were also expanded by 20% to allow for a new lift height experiment to take place. Design & Construction of a new luffing stack took place in the Quarter. Commissioning is due for late October 2002. Exploration continued through the period in the North East Zone, the North Zone as well as the Southern Structure of

the South Zone. Further expansion is required to support 100,000 TP month production goals for 2003.

Administrative Expenditures

The company reported a net loss of \$ 37,217 for the three-month period ended September 30, 2002 compared to a net loss of \$ 257,155 for the same period in the prior year. General administration expenses for the six month period ended September 30, 2002 were \$ 381,358 compared to \$ 278,246 during the prior year, an increase of \$ 103,112. The increase is primarily due to an increase of \$ 94,732 in salaries and wages.

Interest and Financing Charges

During the six months ended September 30, 2002 the Company incurred interest expenses of \$ 302,914 compared to \$ 235,514 for the quarter ended September 30, 2001. The interest was calculated for the outstanding Production Debentures (12%).

Financial Condition and Liquidity:

As at September 30, 2002, the Company has an accumulated deficit of \$16,046,082 and a working capital deficiency of \$3,165,431. As of April 24, 2002, 25% of the proceeds of all gold and silver precipitate sold from the Santa Rosa Mine is being paid to the Production Debenture holders to pay down the principal and accrued interest. Consequently during the quarters ended June 30, 2002 and September 30, 2002, the Company paid \$124,104 and 264,159 respectively to the debenture holders. During the quarter ended September 30, 2002, the Company received \$ 49,000 pursuant to the exercise of stock options and \$ 120,000 on exercise of share purchase warrants. In addition Production Debenture warrants were exercised for proceeds in the quarter of \$ 514,508. The Company's cash position at September 30, 2002 was \$ 87,095. Funds were invested in plant and equipment for the Company's Santa Rosa Mine.

Lawsuit – resolved in Company's favour

The Ircoc claims against the Company have been dropped. The lawsuit has been formally withdrawn. The claim for \$360,000 principal plus costs and interest has been withdrawn.

Investor Relations

Windward Communications provides investor relations activities for the Company, developing a strong base of interest and a broader following for the Company. John Devlin fields all shareholders' requests for information. Gold Träff has been retained to introduce Andean to interested parties. Gold Träff is a meeting place to discuss gold mining and exploration techniques. The Company spent \$ 11,364 on investor relations activities during the quarter ended September 30, 2002 compared to \$ 16,469 for the quarter ended September 30, 2001.

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: John Devlin at 1-866-885-0484 and jdevlin@andeanamerican.com or Windward Communications at 1-866-238-1185 or the Company at: (604) 681-6186 or toll free: 1-888-356-4784 and email: info@andeanamerican.com

On behalf of Andean American Mining Corp.,

“John Huguet”
John Huguet
President & CEO

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