

Andean Reports Quarterly Earnings, First Quarterly Profit

Vancouver, B.C., February 18, 2003. Andean American Mining Corp. (TSX-V:AAG) is pleased to provide quarterly financial information for the period ending December 31, 2002.

	Three Month Period Ended December 31, 2002 (in 000's)		Nine Month Period Ended December 31, 2002 (in 000's)	
	2002 \$	2001 \$	2002 \$	2001 \$
SALES OF GOLD	1,176.7	0	3,057.7	0
COST OF SALES	580.3	-	1,690.7	0
DEPRECIATION AND DEPLETION	116.3	-	353.7	0
RECLAMATION	2.0	-	6.6	0
EARNINGS FROM MINING OPERATIONS	478.1	-	1,007.3	0
ADMINISTRATIVE EXPENSES	<240.6>	<106.0>	<622.0>	<384.2>
INCOME (LOSS) FOR THE PERIOD	237.5	<106.0>	385.4	<384.2>
OTHER EXPENSES & INTEREST	119.0	<114.3>	<424.5>	<351.8>
INCOME FOR PERIOD	<u>\$118.5</u>	<u><220.3></u>	<u><39.2></u>	<u><736.0></u>
	PROFIT	.	.	.
CASH FROM MINING OPERATIONS	\$596.4	0	\$1,367.0	0

This is the first quarter in which a profit was achieved after all costs including interest had been deducted. This also is the fourth consecutive quarter with earnings from operations have been achieved. The earnings for the quarter were \$118,500, an improvement of \$115,740 over the previous quarter. Cash from mining operations of \$596,400 is \$0.017 per share, based on outstanding shares at December 31, 2002 (34,601,461)

The actual production for the quarter was well below budget although costs per produced ounce made progress and recoveries continue to make progress. The new crushing facility should bring relief in early 2003.

Santa Rosa Mine – Production to December 31, 2002 (9 months)

Production tonnes (metric)	208,319 M.T.
Average Grade (grams per metric tonne)	2.69 g/t Au
Production costs (U.S. dollars)	\$2,057,776
Recovered ounces (@ 70%)	12,605 ounces
Average cost per recovered ounce	\$163.25/ounce
Average cost per recovered ounce after credits	\$157.24/ounce
Non Cash Costs	\$42.42/ounce

Production Commentary

Mechanical problems and unusual climatic problems hampered production in the quarter ending December 31, 2002. Of particular note was a 11 day power outage at year's end which eliminated all 440 volt power and shutdown all plant operations. This negatively affected production tonnage and gold recovery. Start up in January 2003 resulted in a further set back when on January 3, 2003, a shaft broke in the primary crusher. A serious problem which was not rectified until February 6th. As a consequence, budgets were not achieved in the last quarter, or the last month. By comparison, the quarterly budgets were 50% underachieved and yet a profit was still achieved.

The positive news is the new crusher is now on site and being installed with startup expected this quarter. The capacity of the new crusher is such that weather delays should be able to be worked around. The mechanical condition of the crushing plant is new and should provide a much higher degree of reliability.

Recoveries continue to be the number one priority. The new drip feed method has shown encouraging results. The luffing stacker has also contributed but without fresh mine feed to blend with the recycled, we have been unable to produce representative tonnages to be able to determine the overall benefits. Full testing will resume in February Cement usage has been the subject of technical studies over the past 60 days and indicates recoveries can be maintained or improved with less than 2 kgs per tonne.

Additionally, permeability testing has indicated greater recoveries are inversely proportionate to cement usage. Testing will be redone to confirm these surprising results. This could lead to approximately \$1 per tonne cost savings. Bottle roll testing has confirmed solubility at greater than 90% on average, up from previous testings in the 85 – 87% range.

Corporate Update

The Company has received Exchange approval for the issuance of 270,100 common shares and 27,010 warrants to extinguish an outstanding debt of \$459,170 of project development costs at the Company's Santa Rosa Project. The warrants entitle the holder to purchase an additional share for a period of one year at a price of \$1.70 per share. The securities are subject to a four month hold period.

Also, 108,000 options were cancelled through expiration of term effective February 1, 2003.

Andean American's objective is to create shareholder value through low cost mine development. 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. The mine is now in commercial production and this is seen as a realistic goal as Peru is host to two of the world's lowest cost producers of gold, Yanacocha and Pierina - both of which are high altitude heap leach operations.

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 1-866-583-6300 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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