

Santa Rosa Mine - Production Update

Vancouver, B.C., April 2, 2003. Andean American Mining Corp. (TSX-V:AAG) is pleased to provide an update on production and production planning at the Santa Rosa Mine.

Priorities:

1. Get recoveries up over 70%, then 75% then 80%.
2. Stabilize economic production for fresh mineral at 2,000 T.P.D. and at 20,000 T.P.M. on recycled minerals. Total to exceed 80,000 T.P. month on a consistent basis.
3. Reduce operating cost to below \$5.00/tonne.
4. Expand mine life to a minimum of 3 years foreseeable production based on 1,200,000 T.P.A. production rate.
5. Increase silver recoveries to greater than 50%.
6. Increase production to 100,000 TPM (1,200,000 T.P.A.) when priority 3 has been achieved.

Review of priorities at March 31, 2003

The fiscal year end of the Company is March 31, 2003. A review of actual production and financial achievements will follow in a few weeks time. Today's news release reviews progress against our priorities.

Priorities Actual:

1. Recoveries: The combination of the new drip feed method, the increased crush size (from 1½" minus to 3" minus), the reduction in cyanide, the reduction in cement content will all contribute to improved results, based on current testing when results were well above the 70% level (actual results were 74.4%, 82.2%, 89.8% and 90.4%). Heavy rains on site have delayed implementation until April. Production forecast for fiscal year April 1, 2003 to March 31, 2004 is based on 55% recovery for fresh ore and 34% recovery for recycled bringing a total recovery to 70%. Management believes this to be conservative figure and continues to work on improving overall recoveries.
2. Stabilize Economic Production: The new crusher facility is installed and running at the start up rate for April of 1,200 T.P.D. and will thereafter operate at 2,000 T.P.D. until the rainy season (January 2004) dictates otherwise (predicted to be a 25% reduction to 1,500 T.P.D). The recycle program will operate at 23,000 TPM beginning in May and run through until December at which time the rainy season is forecast to cause a reduction to 15,000 TPM – Annual tonnes produced budgeted at 650,000 fresh and 244,000 recycled total 894,000 (note permitted tonnes 1,186,000). Economic production is because of lower costs. With all of the changes in the new recovery formula plus the cost reductions from our own crusher, our own equipment, the new blasting program and reduced personnel costs, fresh mineral will be produced at a budgeted \$4.56/tonne. Recycled tonnes will be achieved at a budgeted \$0.94.
3. Reduce operating costs below \$5.00. If budget is achieved this will be realized in first quarter of this current fiscal year.
4. Expand Mine life: the original resource estimate was based upon a drilled area 250 meters by 120 meters by 20 meters depth. The new area for detailed exploration has been defined by exploration accomplishments as 750 meters by 450 meters by 140 meters. The mineralization and its continuity are yet to be determined other than those results which have previously been published (December 3, October 23, October 10, June 13, March 22, all 2002). The Carelo zone is in addition to the expanded Open Pit Zone.

5. Silver recoveries: A precipitate circuit has been designed and will be addressed in the second quarter of this fiscal year.

6. Increase production to 100,000 T.P. monthly: We will walk before we run but the new crushing plant has the ability to operate well beyond our currently permitted limits.

The Santa Rosa Property is within the southern intercordilleran belt of the Peruvian Andes and is approximately 550 km southeast of Lima. The Santa Rosa Mine is currently mining the Open Pit Zone, a structurally controlled epithermal deposit. , The 18,700 hectares Santa Rosa Property is 100% wholly owned by Andean American (previously optioned).

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. 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, which are both 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"
President & CEO

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