

## Santa Rosa Mine: Production Update

Vancouver, B.C., June 13, 2003. Andean American Mining Corp. (TSX-V:AAG) is pleased to provide this production update for production and production planning for the Santa Rosa Mine, Peru

### Santa Rosa Mine – Production to March 31, 2003 (12 months)

(All costs are in \$US)

Production tonnes	226,329 tonnes		
Average Grade (Gold)	2.65 g/t		
Production costs	\$2,196,786		
Recovered ounces (@ 70%)	13,521		
Actual Ounces Shipped	7,770		
Average cost recovered	\$162.47/ounce		
	Silver credits	\$10.59	
	After silver credits	\$151.88/ounce	
Non Cash Costs (approx.)	\$45.00/ounce		
Recycled tonnes	26,730 tonnes		
Average Grade	1.59g/t		
Recovered Ounces to date, included above	748		
Remaining to Recover in Ounces	618		
Recovery cost per ounce	\$18.41		

### Production Commentary:

As reported April 2, 2003 production in the first quarter was severely hampered by “El Niño” rains, which caused a state of emergency to be declared in the province.

During this highly unusual climatic occurrence the company completed installation of a new crusher and production facility. The start up period through April and May were hampered by a problematic grizzly; effectively shutting down the crusher for extended periods. Many repair attempts resulted in the company taking the decision to replace the grizzly with other vibratory feed equipment. This equipment was installed and tested in early June. Production rates of 120 tonnes per hour were calculated over a 24 hour test period. Production is now planned to run as follows:

	June (tonnes)	July (tonnes)	August (tonnes)	September (tonnes)
Fresh Mineral	40,000	60,000	80,000	80,000
Recycled	15,000	15,000	25,000	25,000
<b>Total</b>	55,000	75,000	105,000	105,000

Grades are now getting the benefit of our new approach to drilling and blasting, the blasting pattern is now 1.7 meters by 1.7 meters allowing a reduction from 20" minus to 16" minus, on average, which also helps crusher throughput.

Production costs are in line with budget for this month. April came in at US\$ 4.56/tonne and May at US\$ 5.67/tonne - a step backwards in May but still a substantial improvement over the average cost for the last fiscal year of US\$ 9.71 per tonne.

Heavy clay materials, which have been problematic since production began, appear to be diminishing. April ran 70% clays, May with 18% and June is programmed to be down in the 15% range. Our target is to get to less than 10% clays on a sustainable basis.

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](http://www.andeanamerican.com) . For further information, please contact: John Devlin at 1-866-885-0484 and [jdevlin@andeanamerican.com](mailto: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](mailto:info@andeanamerican.com)

On behalf of Andean American Mining Corp.,

"John Huguet"  
President & CEO

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