

Advanced Exploration of the Carelo Zone

Vancouver, B.C., July 15, 2003. Andean American Mining Corp. (TSX-V:AAG) is pleased to provide additional data from the ongoing advanced exploration of the Carelo Zone, which is within the wholly owned 21,559 hectare (52,917 acres) Santa Rosa property in southern Peru. The Santa Rosa property, with the Santa Rosa Mine, is located approximately 550 km southeast of Lima and is within the Southern Intercordilleran belt of the Peruvian Andes. The Carelo Zone is contained within the 3,300 hectare (8,085 acre) area totally within the area controlled 100% by Andean and is not joint ventured.

During the past two weeks the northern and southern portions of the Carelo Zone (only 500 metres northeast of the Open Pit Zone) have been the subject of an advanced exploration program utilizing drilling and blasting to provide vital geological data on the mineralization within the zone as well as to create better access to the zone. One exploratory drill and blast program was completed in the southern area and two such programs completed in the north. Both of these targets were identified and sampled by trenching during the 2002 exploration campaign

This is exploration by exploitation and will continue in Carelo as at least one more drill/blast program is scheduled for the area. This approach to advanced exploration has benefited Andean in several ways.

- Firstly, by creating 9 metre high walls through sections of the mineralization Andean's technical staff now has exceptional exposures from which they can study the style and nature of the mineralization. This work will be important for the planning of future exploration programs.
- Secondly, this work has added to the Company's confidence that the mineralization continues to depth as all the initial sampling only proved that mineralization occurred at surface.
- Thirdly, mineralization from the blasts can be processed through the Santa Rosa Mine's production facilities

Northern Carelo:

The two blasts from northern Carelo utilized 225 percussion drill holes (of which 78 are previously reported – see news release dated July 6, 2003) that averaged 8.9 metres in depth, totaling 2002 m, or 6,568 ft. The holes were spaced on a 2 metre by 2 metre grid and covered an area approximately 50 metres long and 15 metres wide resulting in 18,156 tonnes of material. Approximately two thirds of this, 12,105 tonnes, was mineralization grading an average of 3.50 g/t gold and 31.8 g/t silver. This material has already been processed through the crusher and is on the heap leach pads. This mineralization contained, on average, much less clays than the mineralization, mined to date, from the Open Pit Zone.

Southern Carelo:

The one blast in southern Carelo was made up of 112 percussion drill holes averaging 9.4 metres in depth, totaling 1053 m, or 3,453 ft. The same 2 by 2 metre grid was used over an irregularly shaped area that averaged 32 metres by 13 metres for a total of 9,971 tonnes. Of this material, 2,700 tonnes (approximately one third) is mineralization. The first 700 tonnes of this mineralization averaged 2.75 g/t gold and 32.0 g/t silver and has already been trucked to the crusher. The remaining 2,000 tonnes has yet to be removed. The epithermal minerals orpiment and realgar occur irregularly throughout this mineralization.

To date this work has confirmed that mineralization in Carelo, as with the Open Pit Zone, has an important structural control for the higher grade (silica rich) mineralization. In the Carelo Zone, however, there appears to be much more of a stratigraphical control as well. This is to say that

there may be more (or thicker) sections of the stratigraphy (low CaCO₃ ?) that are more favourable to replacement and alteration when intersected by the vertical silica-rich structures. This is significant in that there is now an increase in the amount of potential host rock within the Carelo zone.

This work has given Andean's management additional confidence in the potential for the Carelo Zone and has asked the on-site staff to prepare a proposal for a diamond drill program that would test the mineralization at depth.

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 1-866-238-1185 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"
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