

Recoveries Continue Improving

Vancouver, B.C., September 2, 2003. The Board of Directors of Andean American Mining Corp. (TSX-V: AAG) is pleased to provide this update on various issues surrounding the development of the Santa Rosa Mine, located in the Department of Apurimac, Province of Grau, 550 kilometers south east of Lima, Peru.

The focus on gold recoveries continues as a key indicator of operational success, Rolando Davila, General Manager, reports as follows. (Data as of August 30, 2003)

Module No.	Days on Pad	Gold Recovery
Module 86	38 days	62.04%
Module 87	29 days	59.40%
Module 88	15 days	39.3%

This shows good performance against operational expectations of 55% at 30 days. When the first stage of leaching is completed, the minerals and their remaining gold will be recycled utilizing a slightly different leachate and a lower module height designed to produce a further 50 -60% recovery of the remaining gold. For example – If Module 86 was stopped August 30th, the recovery would be 62% of the gold content. The recycle approach would have 38% of the original gold content available for recovery. If the forecasted 50% of this 38% was recovered, the overall recovery would amount to 62 plus 19 or 81% recovery. The company's number one priority is improved gold recoveries.

The Company will continue to focus on gold recoveries as a leading indicator to operational effectiveness. Tonnes and grade, without the presence of clays, are the real ingredients for success.

New Investment for Expanded Plant and Equipment Capacities

Further to our news release of August 1, 2003, we are pleased to report the progress achieved on equipment acquisitions. 2 of the 3 additional excavators have been dispatched to the mine, the 3rd will leave for site on Saturday September 6th. Both of the D 7 caterpillars have been dispatched to the mine. The additional front end loader leaves for the site Saturday September 6th. In addition, two smaller excavators have been acquired for Pad maintenance and exploration. One is currently working on site the other is scheduled for month end.

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"
President & CEO

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