

## **Andean and Newmont Agree Definitively, 60 Days of Drilling Accomplished**

Vancouver, B.C., September 24, 2003. The Board of Directors of Andean American Mining Corp. (TSX-V:AAG) is pleased to announce the Definitive Agreement referred to in the news release of May 5, 2003, has been signed with Newmont Peru Limited, a wholly owned subsidiary of Newmont Mining Corporation (NYSE:NEM). The initial date for the definitive agreement is September 19, 2003.

All principal terms of the Agreement remain materially the same as the binding Letter of Intent signed April 29, 2003. (See news release of May 5, 2003). Also, under certain conditions, as specifically defined in the agreements, corporate support from Newmont will be made available to assist with Andean's project finance requirements.

Andean has delivered good title to the property, and Newmont has released from escrow the U.S. \$600,000 plus interest (\$1,288.21) which was deposited relative to the shares and one year purchase warrants at Canadian \$ 1.53 per unit as announced April 30, 2003.

### **The principal terms are as follows:**

Newmont may earn a 51% undivided participating interest once the following conditions have been met:

- Newmont successfully identifies an inferred gold resource (as specifically defined in the Agreement) of 1.0 million ounces or greater,
- Newmont expends a cumulative U.S. \$ 7.0 million within the optioned lands over a 4 year period (as specifically defined in the agreement).
- Should Newmont earn 51% controlling interest in the joint venture, Newmont would become the operator. The operator on behalf of the joint venture shall have the option to acquire the Santa Rosa mine site by paying Andean in cash in accordance with an agreed formula if the following conditions are met:
  - A feasibility report demonstrates average quarterly cash flows to Andean during the first 3 years of production, as a joint venture participant, are higher than the Santa Rosa cash flows, during the 4 quarters which immediately precede any production from the joint venture; or
  - Andean has discontinued production for 2 years or more.

"We are very pleased with the work program Newmont has achieved to date" states John Huguet, Chairman, Andean American Mining Corp. "Their drill program is well advanced, the geophysical program and the catchment basin studies are completed, their B.L.E.G analysis has also been completed for the entire 23,000 hectares; Newmont determined their drill targets on a variety of factors including: a) resistivity and conductivity b) geochemistry and c) geology, particularly intrusive contacts of Ferrobamba limestones with Mota".

We look forward to our Quarterly Technical reviews to learn actual progress. We are very pleased with the entire program including community relations as put forward by Newmont. We are confident our shareholders will realize the real value of this property through the efforts of this joint venture.

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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