

Renegotiation - Finalized Share Acquisition

Vancouver, B.C., October 16, 2003. The Board of Directors of Andean American Mining Corp. is pleased to provide comparative details for the recently renegotiated acquisition of the shares of Sociedad Anonima Huayumpay.

During the process of finalizing the recently signed joint venture with Newmont Peru Ltd. a wholly owned subsidiary of Newmont Mining Corp. (NYSE:NEM) an observation was made on how to more effectively deal with the obligation to the shareholders of Huayumpay S.A. The process involved renegotiating the payment terms, the royalty application and lump sum buyout provisions for both the shares and the royalties.

The original agreement was with Huayumpay S.A. and required signatures of a simple majority of the shareholders. The revised agreement changed to an agreement with each and every affected shareholder and if applicable, their spouse. The process was consumptive of time and energy but finally concluded Sep 18, 2003 with all 38 signatures notarized, verified and filed as a public document Sep 19, 2003. The original agreement called for additional payments totaling U.S. \$1,675,500 over a 30 month period terminating in February 2005.

The new deal calls for a \$100,000 U.S. initial payment (paid) by Sep 30, 2003. A schedule of payments follows:

	U.S. Dollars	
Dec 20, 2003	\$50,000	
April 30 – July 30, 2004	\$25,000	Month
Aug 30, 2004 – Sep 30, 2006	\$50,000	Month
Oct 30, 2006	\$67,500	FINAL PAYMENT
TOTAL	\$1,617,500	
Previously paid	\$882,500	
Total Agreement	\$2,500,000	

In addition, the agreement carries a sliding scale for royalty payments affecting the production and sale of gold for ounces of gold produced from the 10,639 hectares of land known as Mining Concession Andes 1 through 16 plus Andes Diez, after 175,000 ounces of gold have been produced and sold from said mining concession.

Both the share purchase agreement and the royalty agreements can be purchased outright for lump sum payments. This agreement, in no way, increases the costs to Andean American Mining Corp.. In fact, this agreement extends benefits to Andean on reduction in costs of acquisition and royalties if the lump sum payments are used.

This agreement requires annual payments as follows:
2003: \$150,000 2004: \$350,000 2005: \$600,000 and, 2006: \$517,500
for the share acquisitions.

The agreement is executed through Andean's Peruvian Subsidiary and guaranteed by Andean.

The original agreement was previously approved by the regulatory authorities. No securities were issued to accomplish the agreement. 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.

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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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