

12/08/2003

\$10,000,000 Private Placement

Andean American Mining Corp. (TSX-V:AAG) is pleased to announce that it has engaged Raymond James Ltd. (the "Agent") to complete a private placement involving the issue of up to 8,000,000 units at a price of \$1.25 per unit to raise gross proceeds of up to \$10,000,000. The units are being sold on a best efforts agency basis. Each unit will consist of one common share and one share purchase warrant entitling the holder to acquire one common share of the Company for the price of \$1.50 in the first six months and \$1.75 in the second six months. The warrants will carry a forced conversion feature commencing at the beginning of the fifth month whereby should the common shares of the Company trade at or above \$2.50 for twenty consecutive trading days then the warrants must be exercised within the next 30 calendar days. Unexercised warrants will expire thereafter. In addition, the Agent will have an over-allotment option, exercisable at any time prior to 60 days after the closing date, to acquire up to an additional number of units equal to 15% of the number of units sold pursuant to the offering.

Closing of the private placement is subject to receipt of all necessary regulatory approvals.

Proceeds of the financing will be used for expansion of the Santa Rosa mine, exploration and for general corporate purposes.

The securities being offered have not, nor will they be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

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

This news release may contain forward-looking statements regarding upcoming work programs and events. Actual results may differ materially from those anticipated in such

statements. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.