

Santa Rosa Pilot Plant - Environmental Impact Assessment Approved

Vancouver, BC, May 7, 2001 - Andean American Mining Corp announces receipt of Ministerial approval for the Environmental Impact Assessment for the Santa Rosa Pilot Plant Project.

This approval allows the operation of the Santa Rosa Pilot Plant at an operating rate of up to 3,250 tonnes per day. The initial operating rate for the Plant will be 1,000 tonnes per day. Operations are scheduled to commence in the month of May, 2001. The Pilot Plant Project is designed to prove up all metallurgical consequences (gold and silver recoveries, chemical consumption time for recoveries and all operating costs).

With actual data in hand compared to the currently budgeted data, the Board of Directors will be able to take the decision on expanding production capacity to the approved 3,250 tonne per day operating rate.

Andean American received confirmation of clear title for three new properties Andes, 14, 15 and 16. These titles restore the properties to in excess of 13,000 hectares. This land acquisition of 2,000 hectares forms a part of the joint venture with Placer Dome del Peru S.A. The confirmation was received May 4, 2001.

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