

Pilot Plant Fully Functional

Vancouver, BC, July 23, 2001 - Andean American Mining Corp is pleased to provide an update on the Santa Rosa project located 550 kms south of Lima, Peru at the 3,800 meters elevation. The 13,000 hectare project is 100% owned or under option by Andean American. There are two components to the project, a heap leach gold / silver pilot extraction plant and a separate exploration joint venture with Placer Dome.

Santa Rosa Pilot Plant Project.

The pilot project is now fully operational with all systems tested and functioning. A series of electrical problems and structural problems have now been resolved. Hoppers have been upgraded and two foundations have been replaced. Recent earthquakes and heavy rains have presented challenges that have also been overcome by a professional dedicated field crew. In addition, the local communities of Turpay, Virundo and Pataypampa have been completely supportive of our efforts and enthusiastically accepted our enterprise in their communities. We look forward to a long happy relationship and a mutually rewarding tenure in the area. Primary crushing is now being utilized to complete the pad overliner while awaiting an upgrade to the secondary crusher motor. Further updates will be forthcoming.

Santa Rosa Geology

As part of the ongoing mine development work at Santa Rosa, recent detailed geological mapping and sampling of new exposures has confirmed that the major controls on mineralization are northwest-trending (300° - 320°), steeply-dipping structures hosting low sulphidation epithermal vein and siliceous replacement gold-silver mineralization. To date five structures have been identified with an average width of approximately 5 metres. Locally, the structures 'blow out' to widths greater than 15 metres. Mineralization is exposed over a vertical extent of more than 40 metres. The mineralization is locally cut and, in places, displaced by late cross faults, but mineralization is continuous over lengths of up to 100m. In addition to the steeply dipping structures, high grade shallow dipping mineralization is present in the southwest of the mine area. This shallow dipping zone apparently follows a major lithological break between limestone and the overlying volcanics. The upper parts of the mineralized zones are completely oxidized, consisting of iron oxides, quartz and clay. The clay component may represent supergene alteration, in which case the clay content can be expected to decrease at depth. The oxidation continues to depths between 25 and 40 metres. The Open Pit Zone is a structurally controlled low sulphidation epithermal deposit.

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