

## **Santa Rosa Project Expansion Exploration Success in the Carelo Zone - Significant Values Intersected**

Vancouver, BC, March 7, 2002 - Andean American Mining Corp.(CDNX: AAG) is pleased to provide highly encouraging results from its ongoing exploration of the Carelo Zone of the Santa Rosa Property in southern Peru. The Santa Rosa Property is within the southern intercordilleran belt of the Peruvian Andes and is approximately 550 km southeast of Lima. The Santa Rosa Mine is mining the Open Pit Zone, a structurally controlled epithermal deposit, currently at a rate of 500 to 700 tonnes per day averaging 3.0 g/t gold and 39.0 g/t silver. The 13,400 hectare Santa Rosa Property is 100% wholly owned by Andean American (previously optioned). To date nineteen (19) mineralized gold and silver targets have been identified within the 13,400 hectare Santa Rosa Property. Fourteen of the targets occur within a greater than 15 km long and 4 km wide mineralized trend that is coincident with the regional Matara Fault.

The Carelo Zone is only the second target to undergo detailed exploration, the first was the Santa Rosa Dome. Four of the 17 targets have been the subject of reconnaissance exploration programs while the remaining thirteen targets need to be explored. Greater than 95 percent of the Santa Rosa Property is in need of 'grass roots' exploration. The Carelo Zone is located immediately to the northeast of the mining operations and is only 1.1 km from the current crushing and plant facilities. The zone measures 300 by 300 metres and forms a small hill with steep exposures on three sides. Although to date mineralization occurs over 30 vertical metres the true depth of mineralization has yet to be determined.

The recently completed phase of exploration consisted of sampling and geological mapping at a scale of 1:1,000. In addition, a bulldozer was utilized to further open road cuts and to clear areas covered by overburden. In total fifty eight (58) samples were taken. All of the samples were analyzed for gold and silver by fire assay at the laboratory on site at the Santa Rosa Mine. The work program at Carelo was designed to follow-up the very encouraging values collected during the initial sampling in February of 2000 in which 5.06 g/t Au was intersected over 11.0 metres in the discovery outcrop (News Release March 27, 2000).

The rock types throughout the Carelo Zone are similar to those within the neighboring Santa Rosa Dome and the epithermal style mineralization encountered is identical; large bodies of clay-rich mineralization surround structurally controlled quartz/silica bodies hosted by limestone. 36 of the 58 samples taken were above 0.4 g/t gold and have an average (arithmetic) grade of 3.35 g/t gold and 19.5 g/t silver. This is significant in that this average grade is similar to that of the Open Pit Zone before mining. The highlights of the sampling program are as follows: -- In the southwestern portion of the zone orpiment occurs within massive quartz as well as the strongly altered host rocks.

Orpiment is an exclusively epithermal mineral and in Peru is known as a 'pathfinder mineral' for gold. A 2.5 metre sample of the exposure grades 20.73 g/t gold and 28.8 g/t silver. -- 9 metres of clay rich mineralization grading 19.9 g/t gold and 43.1 g/t silver. This is the highest grading clay mineralization yet sampled in the Santa Rosa Property. -- 20 metres of 0.95 g/t gold and 7.29 g/t silver in clay-rich mineralization. Interestingly, the gold grades increase from 0.59 g/t to 1.39 g/t as the road slopes downwards below the overburden (further in to system?). -- 5 samples in an area measuring 8 by 10 metres averaged 2.32 g/t gold and 4.81 g/t silver. Below this new clearing is the discovery outcrop.

Nine samples were taken from within the central silica breccia measuring 10 by 30 metres with a weighted average of 1.22 g/t gold and 44.0 g/t silver with one 6.0 m sample grading 2.91 g/t gold and 42.3 g/t silver. -- 5 metres of quartz flooding in limestone grading 1.94 g/t gold and 49.27 g/t silver, indicating that the silica mineralization may continue along trend. In total, mineralization grading greater than 1.0 g/t gold has been encountered on three sides of an approximately

square area measuring 160 by 140 metres that is overlain by volcanics. All mineralization encountered to date is strongly oxidized. In the Open Pit Zone the oxides continue to a minimum of 25 metres below surface. There are several indications that the exposures in Carelo represent the upper portion of the mineralized system. One of these is the presence of barite, a low temperature mineral typically found within the upper portions of epithermal systems.

Other indications include strongly altered and fractured volcanics overlying the mineralization and the widespread altered limestones hosting a silica stockwork surrounding the mineralization. Finding these high grades in the interpreted upper part of the system combined with the striking similarities to the mineralization and grade of the Open Pit Zone suggests the presence of a potentially significant mineralizing system within the Carelo Zone. Additional mapping and detailed sampling are required to further define the extent of mineralization within the zone. The ongoing exploration program in the Carelo Zone will be designed to further define the extent and grade of the mineralization with the aim of defining drill targets. The zone is targeted as the first of several zones that could ultimately add additional years to the mine life for the expansion of the Santa Rosa production facility.

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On behalf of Andean American Mining Corp.

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