

The Santa Rosa Project – Regional Geology

Vancouver, BC, July 11, 2002 - Andean American Mining Corp. is pleased to provide additional information regarding the regional geology of the Santa Rosa Property in southern Peru. The property is located approximately 550 km southeast of the capital city of Lima. It is apparent that structural geology is very important for the location of the 19 known mineralized zones within the Santa Rosa Property. Fourteen of these zones occur within an approximately 4 km wide zone that coincides with the regionally recognized Matara Fault. The Santa Rosa Property covers approximately 16 km of this trend.

Regionally, the Santa Rosa Property is located in the 'Abancay Flexure' of the intercordilleran belt of the Andes Mountains in southern Peru. On the continental scale the Abancay Flexure is recognized as where the overall northwestern trend of the Andes bends (or flexes) to being almost east-west for a length of approximately 300 km. The Abancay Flexure coincides with the emplacement of the 21 to 38 million year old Abancay Batholith, an intrusive complex that is recognized from central Peru to the coast, an area of approximately 4,200 square km.

The Santa Rosa Property is located within the south-western portion of the Abancay Flexure. Historically, this has been one of the poorest areas of Peru and only recently has access through the area been improved. Even without significant access this area of Peru has been a prolific mining district with literally hundreds of small-scale mining operations in remote areas. These working date back to the Inca. Recent cataloguing of the deposits of the region has recognised metallogenic districts based on styles of mineralization and types of commodities. The Santa Rosa Property lies within the Yauri-Chalhuanca metallogenic district, which is predominately host to skarn and porphyry related copper-gold-iron +/- silver deposits. This is in the transition area between the Apurimac Cu-Porphyry Skarn belt and the Southern Peru Au-Ag Epithermal Belt (Ministry of Energy and Mines of Peru).

Within this area of the Abancay Flexure there are many significant north or northeast trending regionally recognized structures. The Santa Rosa Property is located in the centre of a greater than 200 km long northeast trend of deposits that is coincident with a 5 to 8 km wide structural corridor. This trend includes 22 gold-silver +/- copper deposits including 9 past or present producers. The locations of these deposits within this northeast trending zone appear to be related to later crosscutting north or northwest structures.

If the movement through the zone, on a regional scale, was "east-side to the north" then it would form a series of 'extensional' faulting in the northeast direction. This may then be the reason for the regionally recognised structural corridor or dilatant zone. The potentially deeper cross-cutting structures would then have been able to create a conduit for the mineralizing fluids.

Within the Santa Rosa Property, a similar structural relationship is seen as the fourteen mineralized zones within the southern trend of the property appear to be located at, or near, the intersection of these crosscutting structures. From satellite and air photo analysis three distinct structural trends have been recognized. These three trends are southeast-northwest, northeast-southwest and east-west, which, in turn, combine to form a conjugate set.

Within the approximately 16 km of this trend that lies within the Santa Rosa Property there are now many additional areas of interest due to the interpretation of this structural analysis and these areas will be the subject of future exploration programs.

In addition, the four known mineralized targets in the north of the property are thought to coincide with the Pataypampa Fault and, in fact, may be part of an additional northwestern trending zone

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. The mine is now in commercial production and 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- both of which are high altitude heap leach operations.

To find out more about Andean American Mining Corp. (CDNX: AAG), visit our website at www.andeanamerican.com. For further information, please contact John Devlin at 1-866-885-0484 and jdevlin@andeanamerican.com 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.,

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