

## **Andean Addresses Certain Disclosure Issues**

Vancouver, BC, August 26, 2002 - Andean American Mining Corp. (TSX-V:AAG) would like to address several observations made by the British Columbia Securities Commission regarding the Company's 2001 annual information form (the "2001 AIF") dated October 24, 2001. In this regard, the Company advises that, as 140 days have now passed since the Company's fiscal year end, the 2001 AIF is now no longer current and therefore the Company is not a "qualifying issuer" under Multilateral Instrument 45-102. Notwithstanding this, at the request of the British Columbia Securities Commission the Company proposes to deal with certain items of disclosure in its 2001 AIF.

With respect to the Santa Rosa Property, the 2001 AIF quoted the resource estimate for the Open Pit Zone that was completed in July of 1999 when the Company should have used the more recent resource estimate as disclosed in the Company's news release of July 19, 2000, which was completed as part of the in-house pre-feasibility study for the Santa Rosa Project. Neither the resource estimate set out in the 2001 AIF nor the resource estimate set out in the July 19, 2000 news release was supported by a qualifying technical report and therefore may not qualify as a resource under National Instrument 43-101. Further, 'indicated' and 'inferred' portions of the estimate were not stated separately. In addition, the 2001 AIF did not refer to any issues that would potentially impact the resources such as metallurgy, environmental, permitting, and other relevant issues.

A technical report on the Santa Rosa Property prepared in compliance with National Instrument 43-101 is in progress and is scheduled to be ready in early October of this year. In conjunction with this new technical report, a new contract with Snowden Mining Consultants Inc. has been initiated for Snowden to complete a study of Andean American's data from the first year of operations at the Santa Rosa Mine. The study will be in three phases with the first being an evaluation of the existing data including a comparison of the information from the first year of mining with the original resource estimates. The second and third phase will be the construction of a resource model followed by pit optimization. It is expected that this work will take 4 to 8 weeks to complete. The results of the Snowden work should allow the company to complete a new resource estimation of the Open Pit Zone of the Santa Rosa Property.

Further, certain comments on page 14 of the 2001 AIF referring to the initial mining operation having a positive effect on the current resources both in terms of higher tonnage and grade were not supported with sufficient documentation and are retracted. It is intended that the Snowden study will deal with this information in an appropriate manner.

With respect to its Sinchao project, the Company seeks to address certain disclosure with respect to the property as copied from a report titled "Exploration Report for the Sinchao Property" and set out in the 2001 AIF commencing on page 41 thereof. This report details the results from the 1998 drilling campaign at Sinchao and was completed in June of 1999. Within this report the potential for the four distinct styles of mineralization identified in the property were reported as a tonnage without an accompanying grade and without the required cautionary language. The Company has been advised that the British Columbia Securities Commission is of the view that such disclosure is contrary to National Instrument 43-101 and is potentially misleading. For this reason the Company advises that this information should not be relied upon and would like to reiterate that currently there are no known resources for the Sinchao property and no resource estimations have been completed as the property is in an early stage of exploration. The potential for these zones will be tested with a future drilling program.

The Company is currently finalizing its 2002 AIF and anticipates filing same in October, 2002. This new document will update information regarding the Company and its operations in general

and will be accompanied by a technical report for the Santa Rosa Property prepared in accordance with the requirements of NI 43-101.

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

On behalf of Andean American Mining Corp.,

“John F. Huguet”  
President & CEO