Andean American Gold Corp. Announces a Revised Mineral Resource Estimate on its Invicta Property

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TORONTO, 04/30/12 - Andean American Gold Corp. ("Andean American" or the "Company") (TSX VENTURE: AAG)(FRANKFURT: AQN) announces that it has received an updated NI 43-101 Technical Report of the mineral resources at the Invicta Gold Project in Huaura Province in Peru. The report was prepared by SRK Consulting (US) Inc. ("SRK").

The mineral resources for the Invicta gold-silver-copper-lead-zinc deposit are estimated by SRK at 8,644 kt grading an average of 2.13 g/t gold, 15.90 g/t silver, 0.43% copper, 0.24% lead and 0.29% zinc, classified as Measured and Indicated mineral resources; with an additional 2,534 kt grading an average of 1.61 g/t gold, 12.02 g/t silver, 0.46% copper, 0.27% lead and 0.18% zinc, classified as Inferred mineral resources.

Table 1: Mineral Resource Statement for the Invicta Gold-Silver-Copper-Lead-Zinc Deposit, Huaura Province, Peru, SRK Consulting (Inc.), April 6, 2012(i)

			Metal Grade					
Zone	Resource Category	Tonnes (000's)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
Atenea - All Zones	Measured	131	6.65	4.29	31.71	0.73	0.39	0.38
	Indicated	5,696	3.83	2.34	17.99	0.45	0.28	0.34
	M+I	5,827	3.89	2.39	18.29	0.46	0.28	0.34
	Inferred	1,533	3.56	2.35	10.93	0.46	0.13	0.19
Dany	Measured	0	0.00	0.00	0.00	0.00	0.00	0.00
	Indicated	868	1.97	0.54	13.45	0.58	0.11	0.09
	M+I	868	1.97	0.54	13.45	0.58	0.11	0.09
	Inferred	668	1.72	0.14	12.66	0.53	0.58	0.16
Pucamina	Measured	0	0.00	0.00	0.00	0.00	0.00	0.00
	Indicated	1,064	2.53	1.97	6.98	0.10	0.23	0.28
	M+I	1,064	2.53	1.97	6.98	0.10	0.23	0.28
	Inferred	202	1.96	1.38	8.68	0.14	0.14	0.18
Ydalias - All Zones	Measured	0	0.00	0.00	0.00	0.00	0.00	0.00
	Indicated	12	7.16	3.63	34.89	1.43	0.29	0.19
	M+I	12	7.16	3.63	34.89	1.43	0.29	0.19
	Inferred	35	2.66	0.41	58.19	0.21	1.25	0.04
Zone 4	Measured	0	0.00	0.00	0.00	0.00	0.00	0.00
	Indicated	872	3.31	2.15	12.94	0.44	0.12	0.10
	M+I	872	3.31	2.15	12.94	0.44	0.12	0.10
	Inferred	95	2.74	0.87	15.37	0.78	0.16	0.14
Total - All Zones	Measured	131	6.65	4.29	31.71	0.73	0.39	0.38
	Indicated	8,513	3.43	2.09	15.65	0.42	0.24	0.28
	M+I	8,644	3.48	2.13	15.90	0.43	0.24	0.29
	Inferred	2,534	2.90	1.61	12.02	0.46	0.27	0.18

			Contained Metal (000's)					
Zone	Resource Category	Tonnes (000's)	AuEq Oz	Au Oz	Ag Oz	Cu Lbs	Pb Lbs	Zn Lbs
Atenea - All Zones	Measured	131	28	18	133	2,119	1,110	1,105

	Indicated	5,696	701	429	3,294	56,848	35,251	43,094
	M+I	5,827	729	447	3,427	58,967	36,361	44,198
	Inferred	1,533	175	116	539	15,574	4,495	6,373
Dany	Measured	0	0	0	0	0	0	0
	Indicated	868	55	15	375	11,151	2,153	1,723
	M+I	868	55	15	375	11,151	2,153	1,723
	Inferred	668	37	3	272	7,876	8,496	2,387
Pucamina	Measured	0	0	0	0	0	0	0
	Indicated	1,064	87	67	239	2,277	5,315	6,614
	M+I	1,064	87	67	239	2,277	5,315	6,614
	Inferred	202	13	9	56	625	605	781
Ydalias - All Zones	Measured	0	0	0	0	0	0	0
	Indicated	12	3	1	13	379	77	51
	M+I	12	3	1	13	379	77	51
	Inferred	35	3	0	65	159	951	27
Zone 4	Measured	0	0	0	0	0	0	0
	Indicated	872	93	60	363	8,393	2,375	2,000
	M+I	872	93	60	363	8,393	2,375	2,000
	Inferred	95	8	3	47	1,645	344	285
Total - All Zones	Measured	131	28	18	133	2,119	1,110	1,105
	Indicated	8,513	939	573	4,285	79,048	45,171	53,482
	M+I	8,644	967	591	4,418	81,167	46,281	54,587
	Inferred	2,534	236	131	979	25,879	14,891	9,854

(i) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into a Mineral Reserves estimate. The resource is stated above a 1.30 g/t gold equivalent cut-off and contained within potentially economically mineable mineralized solids. Metal prices assumed for the gold equivalent calculation are US$1,500/oz for gold, US$32.50/oz for silver, US$3.90/lb for copper, US$1.05/lb for lead and US$1.00/lb for zinc. The gold equivalent calculation assumes 100% metallurgical recovery, and does not account for any smelting, transportation or refining charges. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding. Mineral resource tonnage and grade are reported as diluted to reflect a potentially mineable underground SMU (Selective Mining Unit) of 3.0m. The resource model has not been depleted for historical artisanal mining, as the location and extent of these workings are largely un-documented.

Mineral Resource Sensitivity

In order to assess the sensitivity of the resource to changes in gold equivalent cut-off grade, SRK summarized tonnage and grade above cut-off at a series of increasing gold equivalent cut-offs by resource category. The sensitivity analysis for Measured plus Indicated blocks and Inferred category blocks are provided in Tables 2 and 3, respectively.

Table 2: Cut-off Grade Sensitivity Analysis - All Measured and Indicated Blocks

		Metal Grade					
AuEq CoG (g/t)	Tonnes (000's)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
0.50	15,750	2.30	1.32	11.14	0.31	0.17	0.22
1.00	10,881	3.00	1.79	14.01	0.38	0.22	0.26
1.50	7,531	3.79	2.35	17.08	0.45	0.26	0.30
2.00	5,572	4.51	2.88	19.83	0.51	0.29	0.34
2.50	4,299	5.18	3.37	22.43	0.57	0.31	0.36
3.00	3,401	5.83	3.86	24.67	0.61	0.33	0.39
3.50	2,778	6.41	4.31	26.52	0.65	0.36	0.42
4.00	2,290	6.98	4.75	28.44	0.69	0.38	0.44
4.50	1,893	7.55	5.17	30.57	0.74	0.41	0.47
5.00	1,586	8.10	5.58	32.48	0.77	0.43	0.49

		Contained Metal (000's)					
AuEq CoG (g/t)	Tonnes (000's)	AuEq (oz)	Au (oz)	Ag (oz)	Cu (lb)	Pb (lb)	Zn (lb)
0.50	15,750	1,164	670	5,639	107,074	60,757	76,704
1.00	10,881	1,049	626	4,903	91,608	51,938	62,619
1.50	7,531	917	569	4,135	75,053	42,696	50,111
2.00	5,572	808	516	3,552	62,665	35,304	41,267
2.50	4,299	716	466	3,100	53,836	29,443	34,424
3.00	3,401	637	422	2,698	46,023	24,886	29,252
3.50	2,778	572	385	2,368	39,909	21,861	25,420
4.00	2,290	514	349	2,094	34,881	19,335	22,302
4.50	1,893	460	315	1,861	30,701	17,074	19,554

5.00	1,586	413	285	1,656	26,974	15,169	17,240

Table 3: Cut-off Grade Sensitivity Analysis - All Inferred Blocks

		Metal Grade					
AuEq CoG (g/t)	Tonnes (000's)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
0.50	5,870	1.72	0.83	8.57	0.32	0.17	0.12
1.00	3,390	2.45	1.28	11.06	0.42	0.24	0.16
1.50	2,111	3.20	1.86	12.84	0.50	0.18	0.19
2.00	1,604	3.68	2.25	13.69	0.55	0.14	0.19
2.50	1,286	4.05	2.57	14.20	0.59	0.10	0.16
3.00	858	4.71	3.47	12.91	0.47	0.09	0.17
3.50	556	5.46	4.92	8.51	0.13	0.11	0.15
4.00	497	5.66	5.14	8.61	0.12	0.11	0.15
4.50	377	6.10	5.59	6.38	0.13	0.12	0.17
5.00	190	7.36	6.71	8.70	0.18	0.11	0.19

		Contained Metal (000's)					
AuEq CoG (g/t)	Tonnes (000's)	AuEq (oz)	Au (oz)	Ag (oz)	Cu (lb)	Pb (lb)	Zn (lb)
0.50	5,870	324	156	1,618	41,044	21,885	15,990
1.00	3,390	268	139	1,206	31,280	18,161	11,828
1.50	2,111	218	126	871	23,382	8,191	8,810
2.00	1,604	190	116	706	19,494	4,801	6,839
2.50	1,286	168	106	587	16,722	2,891	4,614
3.00	858	130	96	356	8,845	1,748	3,294
3.50	556	98	88	152	1,625	1,332	1,794
4.00	497	90	82	138	1,308	1,197	1,627
4.50	377	74	68	77	1,077	974	1,425
5.00	190	45	41	53	750	466	802

SRK has made certain recommendations in terms of further exploration work and trade-off studies. They suggest completing detailed structural-geological mapping over the entire project and the development of a structural and stratigraphic 3D model to identify exploration targets, as well as a regional structural geological interpretation of airborne and remote sensing data. Trade-off studies to determine the most suitable mining method and production rate are recommended, as well as the completion of preliminary project cash flow modeling to estimate project economics. This evaluation is currently in progress for higher grade and lower treatment tonnage options.

Rationale for the Revised Resource Estimate on the Invicta Project

In October 2011, Andean announced that the initial capital cost to build an underground mine at the Invicta Project would be considerably higher than forecast in the July 2010 Feasibility Study, partly due to increases in the estimates for infrastructure. Andean's management and Board of Directors decided to delay completion of the SRK Feasibility Study on the Invicta Project in October 2011, and indicated that the (then ongoing) engineering studies would not be completed to a feasibility level at that stage. The SRK Feasibility Study on the Invicta Project was discontinued at that time.

There is neither a current Pre-Feasibility Study (PFS) nor Feasibility Study (FS) for the Invicta Project, which incorporates all presently applicable Invicta Project cost estimates. It follows that there are no current mineral reserves for the Invicta Project in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves: Definitions and Guidelines, November 27, 2010 (CIM).

For this reason, in a press release issued on February 13, 2012, Andean announced that it had commissioned SRK to do a revised resource estimate which reclassifies the (previous) Mineral Reserves as Mineral Resources as set out in the table above. There are no current Mineral Reserves estimated for the Invicta Project.

Commenting on the revised resource estimate for Invicta, Mr. David Rae, President and CEO of Andean American, said: "We believe that this new resource estimate for Invicta supports our view that the Invicta Project lends itself to a higher grade lower tonnage mining scenario and we continue to review alternatives which will reduce the capital costs and improve project economics. This revised technical report incorporates the structural geology work completed in late 2011 and has given us some valuable insight into the potential on the property. We are anxious to realize value from the Invicta Project which will benefit both our shareholders and the local communities. Much of the work we would like to do requires the support of the local communities and we continue to seek agreements with them which will ensure benefits for all parties."

The full NI 43-101 Technical Report on the Invicta Gold Project is available on SEDAR at www.sedar.com and on the Company's website atwww.aaggold.com.

Qualified Person

The resource estimate was completed by Frank Daviess, MAusIMM under the direction of Jeffrey Volk, CPG, FAusIMM, Principal Resource Geologist with SRK. Mr. Volk is independent of the issuer and an Independent Qualified Person, as this term is defined in NI 43-101 and has reviewed and approved the scientific and technical disclosure contained in this release. The effective date of this resource estimate is April 6, 2012 and is based on data received by SRK in November, 2010. The mineral resources are reported in accordance with Canadian National Instrument 43-101 (NI 43-101) and have been estimated in conformity with generally accepted Canadian Institute of Mining, Metallurgy and Petroleum (CIM) "Estimation of Mineral Resource and Mineral Reserves Best Practices" Guidelines. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves.

ABOUT ANDEAN AMERICAN GOLD CORP.

Andean is an international mining and exploration company focused on value growth through the development of gold and copper projects in Peru and currently has two key assets: the 31,600 hectare Invicta gold-silver-copper advanced exploration stage project and 64.95% (65.8% once it has exercised its 2,222,222 warrants) of Sinchao Metals Corp., owner of the Sinchao gold-silver-copper exploration project. Once the abovementioned Transaction is complete, Andean will own 17.3% of the newly combined company referred to in this press release which expects to change its name to Southern Legacy Minerals Inc.

For further information about Andean American Gold Corp. please visit the Company's website at www.aaggold.com or view the Company's documents on SEDAR at www.sedar.com.

On behalf of Andean American Gold Corp.,

David Rae

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