



FULLY UNDERWRITTEN ENTITLEMENTS ISSUE TO RAISE \$5.5 MILLION TO ACCELERATE EXPLORATION IN ARGENTINA

ASX Announcement

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ANDEAN RESOURCES LIMITED

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Andean Resources Limited
is listed on the ASX with the
symbol "AND"

The directors of Andean Resources Limited (**ASX: AND**) are pleased to announce the raising of \$5.5m in new equity capital for the Company through a 2 for 13 non-renounceable entitlements issue at 15.5 cents per share to existing shareholders.

The issue is fully underwritten by Southern Cross Equities Limited and sub underwritten in part by the Sentient Global Resources Fund. The underwriting is subject to standard conditions covering *inter alia* material change in circumstances and/or market conditions.

The monies raised through the rights issue will be applied towards funding the next phases of exploration at the Company's 100% owned Cerro Negro epithermal gold project in Patagonia, which is scheduled to commence in early October '05 and for general working capital.

The Company is in the process of preparing a Prospectus for lodging with the Australian Securities & Investments Commission and the Australian Stock Exchange. This is anticipated to be completed in late September 2005. The Company will provide full details of the timetable attaching to the Issue as soon as it is in a position to do so.

The Issue represents a major new funding initiative by the Company and is specifically designed to allow all existing shareholders to participate on what the Board believes are attractive terms given the emerging size and potential of the Cerro Negro Project.

The entitlements Issue provides the financial resources to fully cover the current budgeted exploration and corporate costs for the forthcoming field season in Patagonia which will run to the middle of 2006.

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