



## ASX Announcement

4 July 2006

### **ANDEAN RESOURCES LIMITED**

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

## Update on Status of Interested Parties

- Independent Directors continue to REJECT the Kingsgate Offer

Andean Resources Limited (ASX: AND) wishes to advise the market and shareholders that a number of parties continue to conduct due diligence and remain interested in the possibility of tabling alternative offers for Andean as a means of acquiring Andean's 100% owned Cerro Negro Gold Project.

In light of this continued interest, your independent directors believe there is a prospect of an alternative offer being made for Andean. However, there is no assurance that an offer will eventuate or that if it does that it will arrive before the close of Kingsgate's Offer (Tuesday, 11 July 2006), or that any such offer would be acceptable.

The independent Directors of Andean continue to take steps to explore opportunities with these interested parties and Andean will provide shareholders with further information if any alternative offer arises.

In conjunction with its advisers, RBC Capital Markets (a division of the Royal Bank of Canada), Andean conducted a series of site visits for interested parties, principally from North American gold companies, from mid-April 2006 through to the end of May 2006. Those site visits have now concluded.

Andean invited Kingsgate to carry out its own site visit in late May. Surprisingly, Kingsgate declined Andean's offer to carry out such a visit which would have provided it with an opportunity to more fully acquaint itself with the future additional potential of the Cerro Negro Project for additional discoveries.

Whether or not an alternative offer arises, the independent Directors of Andean continue to recommend shareholders REJECT the Kingsgate Offer as it is inadequate and does not represent appropriate value for your Andean Shares. In addition, the independent directors of Andean remind you that our concerns regarding the Kingsgate BOI sell-down requirement and the outstanding mining leases remain. Shareholders may wish to take all of these matters into account, including the status of interested parties as described above, in deciding whether or not to accept the Kingsgate Offer.

### **For further information please contact:**

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