



## ASX Announcement

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### ANDEAN RESOURCES LIMITED

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## EXCELLENT METALLURGICAL TEST RESULTS FROM VEIN ZONE

- Gold Recoveries of up to 99%
- Environmentally Benign Ore

Andean Resources Ltd (ASX:AND) is pleased to announce that it has received positive metallurgical test work results for ore samples taken from the Vein Zone deposit at the Company's Cerro Negro gold project in Southern Argentina.

Test work was completed by specialist metallurgical consultants, Ammtec Limited of Perth, Australia on four composite samples (derived from diamond drill core) selected to represent the range of ore types currently recognised at the Vein Zone deposit.

The resulting metallurgical recoveries for the four samples are shown below:-

Sample Type	Grind Size P <sub>80</sub>	% Au Extraction at Hours					Consumption (Kg/t)	
		2hr	4hr	8hr	24hr	48hr	Lime	NaCN
High Oxide	75um	74.7	93.6	97.5	99.0	99.2	0.60	0.29
Mid Oxide	75um	86.8	97.5	98.5	99.1	99.1	0.38	0.25
Low Oxide	75um	84.6	95.7	96.9	99.2	99.2	0.68	0.30
Transition	75um	63.9	73.3	79.0	84.4	93.8	0.39	0.76

These results confirm the expected excellent metallurgical characteristics of the ore and demonstrate;

- Very high predicted gold recoveries;
- Low reagent consumption; and
- Excellent leach kinetics.

The rapid leach kinetics will have a positive impact on project capital costs and the predicted high gold recovery and low reagent consumption will have a positive impact on projected operating costs. These results are consistent with earlier initial metallurgical test work carried out by previous owners, MIM Limited.

Ammtec's analysis and mineralogy has also shown that the ore contains very low levels of pyrite and sulphur bearing minerals. Acid Mine Drainage test work indicates that the ore possess little to no acid generating potential. This is a very positive outcome as it demonstrates that the ore is environmentally benign, which will have a positive effect on projected capital and operating costs.

Further metallurgical test work will be undertaken in 2007 to allow optimisation of the flow sheet design which will be incorporated into future development studies.

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