



ASX Announcement

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

ANDEAN EXTENDS HIGH-GRADE GOLD MINERALISATION AT EUREKA WEST VEIN

- **Results from the 3 latest diamond drill holes at Eureka West return more high-grade gold and silver values over minable widths**
- **Strike extent at Eureka West now in excess of 150 m**
- **Expanding drill program the addition of a 3rd rig**

SUMMARY

Further drilling by Andean into the Eureka West vein continues to intersect high-grade gold and silver mineralisation. Results from the latest 3 diamond drill-holes, (at an assumed underground cut-off of 2.5 g/t gold) are shown below:

- EDD – 704 encountered two zones of mineralisation:
 - 10m of 28.7 g/t gold and 356 g/t silver from 137m, including 1m of 244.6 g/t gold and 3065 g/t silver; and
 - 2m of 3.7 g/t gold and 12 g/t silver from 161m
- EDD – 705 encountered two mineralized intersections:
 - 12m of 11.7 g/t gold and 29 g/t silver from 122m; and
 - 4m of 5.5g/t gold and 19 g/t silver from 144m;
- EDD – 706 encountered one main mineralized intersection:
 - 17m of 7.8 g/t gold and 165 g/t silver from 141m;

These drill results, taken in conjunction with the release of previous high-grade results, (see ASX announcement dated 13 March 2007) have extended the Eureka West vein strike length to in excess of 150 meters. This vein remains open along strike and at depth.

EDD-707, drilled beneath EDD-706, also encountered a wide zone of quartz veining with final assays awaited from the outside laboratories.

The drill-rig has now moved to the Eureka Main structure with a further 3 deep drill holes (EDD-708, EDD-709, and EDD-710) now completed. The majority of these holes intersected quartz veining over potentially minable widths, while EDD-708 has probably defined the western limit of the Eureka Main structure, which structure is about 4km long. Assays for these holes are currently pending.

Based on the significant results received to date, Andean is expanding the current drill program at Eureka by:

- Moving the UDR650 drill-rig to the Eureka Vein from Vein Zone following the completion of an additional deep test of the mineralisation in the central part of the main mineralised zone at Vein Zone; and
- Mobilizing a third diamond drill rig to Eureka in approximately two weeks time, following a maintenance overhaul being completed in Mendoza.

Continued...

CERRO NEGRO GOLD PROJECT *(Andean 100%)*

Andean Extends High-Grade Mineralisation at Eureka West by 150 meters

Andean Resources Limited (ASX: AND) is pleased to report that further drilling on the Eureka West vein at the Company's 100% owned Cerro Negro epithermal gold project in Southern Argentina continues to intersect wide zones of high-grade gold and silver mineralisation.

Andean believes the current series of outcropping veins at the Eureka Main structure and Eureka West vein reflect the upper part of a strong hydrothermal system based on the high-level quartz with chalcedony, strong resistivity anomalies over discrete vein segments, and surface rock chip samples. Consequently, Andean has targeted its initial drill testing of the Eureka system beneath the shallow drill holes of prior explorers, and also on a parallel vein, Eureka West, that was not identified by previous explorers.

The following tabulated values of the three new holes are reported at a cut-off grade of 2.5 g/t gold on the assumption of an underground mining scenario for the Eureka veins. Coordinates tabulated below are provisional and subject to final survey by a licensed surveyor.

Hole Number	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)	Elevation (m asl)	Easting	Northing	Azimuth	Inclination	Depth (m)
EDD-704	137	147	10	28.7	356	644	2294350	4808050	360	-60	200
<i>including</i>	137	138	1	244.6	3065						
<i>and</i>	161	163	2	3.7	12						
EDD-705	122	134	12	11.7	29	645	2394400	4808025	360	-60	219
<i>including</i>	128	129	1	56.9	65						
<i>and</i>	144	148	4	5.5	19						
<i>and</i>	163	165	2	4.8	25						
EDD-706	141	158	17	7.8	165	644	2394250	4808100	360	-60	198

(1) Intersections are drilled widths, not true widths. True widths are less than drilled intersections.

(2) The grade of the intersection in EDD-704 between 137 and 147m is heavily influenced by the first sample, which assayed 244.6 g/t gold and 3065 g/t silver.

Commentary on Results

The results from these latest Phase 3 drill holes are encouraging for several reasons:

- The holes appear to confirm the continuity of high-grade mineralisation in the Eureka West vein with all three holes returning consistent grade and widths over a combined strike extent of in excess of 150m (see attached drill plan).
- At a lower cut off grade of 0.7 g/t gold, consistent with open pit mining, all three holes returned substantial widths of mineralisation, including some internal waste, as follows;
 - 12m of 24.1 g/t gold, 300 g/t silver from 137m and 2m of 3.7 g/t gold, 12 g/t silver from 161m in EDD-704
 - 34m of 6.1 g/t gold, 28 g/t silver from 116m in EDD-705
 - 22m of 6.6 g/t gold, 144 g/t silver from 140m and 3m of 4.0 g/t gold, 73 g/t silver from 169m in EDD-706
- Significant silver grades continue to be encountered when compared to Vein Zone (which has low silver values), and which could provide a meaningful by-product and reduced cash cost in any future mining operation;
- Eureka is located about 20 road kilometres over fairly flat terrain from Vein Zone and could potentially represent a second, high-grade deposit within the Cerro Negro tenements, which could substantially enhance the economics of the overall project;
- **Good exploration potential exists along strike of the entire 4 kilometre outcropping Eureka vein system.** In addition, Andean fieldwork has recently discovered two narrow vein sets parallel to Eureka: a 750m outcropping vein one kilometre to the north and another vein, 500m long, 2 kilometres to the south of Eureka. These additional veins require further exploration to define their extent and grade potential.

Project Status

Andean has so far drilled a total of 10 holes into the Eureka system as shown on the attached map and is awaiting assays for the remaining four holes. The Company will update the market as batches of material results become available.

Based on these initial results, **Andean is expanding the current drill program at Eureka** by focusing the majority of its resources in this area for the remainder of the drilling season. This will involve moving a second, existing drill rig from Vein Zone in about a week, and by mobilising an additional diamond drill rig from Mendoza in about two weeks.

For further information please contact, in Australia;

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Or in North America;

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Note:

The information in this Report that relates to exploration results is based on information provided by David Shatwell who is a Fellow of the Australian Institute of Geoscientists.

Mr Shatwell has extensive experience relevant to the style and type of mineralisation and deposits under consideration, and to the activity undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves" (the J.O.R.C. Code). Mr Shatwell consents to the inclusion in this Report on his work in the form and context in which it appears.

