



## ANDEAN REPORTS CERRO NEGRO RESOURCE

### ASX Announcement

October 10th 2007

#### ANDEAN RESOURCES LIMITED

A.C.N. 064 494 319  
1/1 Nairn Street  
Fremantle WA 6160  
t: 61 8 9430 9966  
f: 61 8 9430 9965

#### Website

[www.andean.com.au](http://www.andean.com.au)

For further information on  
this release and Andean  
generally please contact:

#### Wayne Hubert

Managing Director  
Tel: (0011 1) 801-763-7671  
E-mail  
[wayne.hubert@gmail.com](mailto:wayne.hubert@gmail.com)

#### Morrice Cordiner

Director  
Tel: + 61 (0) 412 270 761  
(cell) OR + 61 (2) 9276  
1245 (office)  
E-mail  
[morrice@bigpond.net.au](mailto:morrice@bigpond.net.au)

#### Warren Gilmour

Director  
Tel: + 61 8 9430 9966  
E-mail  
[warren@andean.com.au](mailto:warren@andean.com.au)

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

Perth Australia, October 10<sup>th</sup>, 2007 – Andean Resources Ltd (ASX:AND; TSX:AND) is pleased to report a resource update based on the recently completed Phase 3 drill program at the Company's 100% owned Cerro Negro gold project in Southern Argentina. To date, Andean has drilled two of the seven known epithermal vein occurrences on the Cerro Negro property, and a resource estimate is provided here for the Vein Zone and the Eureka West vein. The NI 43-101 and JORC compliant resource estimate was completed by Micon International Limited of Canada and the results are summarized in the table below:

Zone	Classification	Cut-off AuEq <sup>1</sup> (g/t)	Tonnage <sup>2</sup> (T x 10 <sup>6</sup> )	Au Grade (g/t)	Product Au (ounces) <sup>3</sup>	Ag Grade (g/t)	Product Ag (M ounces) <sup>3</sup>	AuEq <sup>1</sup> Grade (g/t)
Eureka West	Inferred	2.5	3.05	6.4	624,000	82	8.04	7.88
Vein Zone	Indicated	1.0	4.61	3.7	553,736	-	-	3.7
Vein Zone	Inferred	1.0	4.31	2.7	366,888	-	-	2.7

(1) Gold equivalent grades estimated based on a gold to silver ratio of 1:54 based on a 36-month trailing average prices for gold and silver. The formula used was:  $AuEq(g/t) = Au(g/t) + [1/54 \times Ag(g/t)]$

(2) Tonnage is metric tonnes, where one metric tonne is 1000 kilograms, or 2,200 pounds

(3) Ounces are troy ounces, where one troy ounce equals 31.103 grams

### Eureka West Mineral Resource Estimate

The Eureka West estimate is based on the initial 25 core holes into the Eureka West Vein, completed within the Phase 3 program earlier this year. Of the 25 holes drilled, 21 intersected the initial mineralized zone. Based on limited statistical information on the 21 holes, as well as the 100 meter drill spacing in the higher-grade western portion of the vein, the high-grade intercepts were capped and the area of influence of this high-grade restricted, resulting in an initial inferred mineral resource estimate of **3 million tonnes at 6.4 g/t Au and 82 g/t Ag, which is equivalent to 624,000 ounces of gold and 8 million ounces of silver.** Due to the capping and restricting of high-grade values, the grade estimate is lower than the arithmetic average of the 21 holes drilled into the mineralized zone.

The goal of Andean's infill drill program planned for the remainder of 2007 is to upgrade the present resource at Eureka West from inferred into the indicated classification, by further confirming both geologic continuity and the extent of the high-grade mineralization within the mineralized zone. If geologic continuity of the high grade is established within this zone, Andean believes the grade and quantity of ounces could improve commensurately.

Geologic domains were developed based on the logging of a well defined, sub-vertical, quartz vein zone at the contact between hanging wall andesites and footwall ignimbrites. Mineralization was estimated within the quartz vein zone only. Assays were composited to regular 1 meter intervals. Cut-off grades were estimated using a 2.5 g/t gold equivalent cut-off, and the inferred mineralization grade was estimated using the inverse distance squared method. High-grade composites were capped at 40 g/t Au and 650 g/t Ag, and the specific gravity of the quartz vein was estimated at 2.38 tonnes/m<sup>3</sup>.

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The sensitivity of cut-off grade on the mineral resource estimate is shown in the table below, which shows the resource at 4 g/T AuEq as well as 2.5 g/t AuEq:

Eureka Mineral Resource Estimate							
Classification	Cut-off	Tonnage	Au Grade	Product Au	Ag Grade	Product Ag	AuEq Grade
	(AuEq g/t)	(T x 10 <sup>6</sup> )	(g/t)	(ounces)	(g/t)	(M ounces)	(g/t)
Inferred	2.50	3.05	6.37	624,000	82.02	8.04	7.88
Inferred	4.00	2.23	7.54	541,000	96.64	6.93	9.32

### Vein Zone Mineral Resource Estimate

The Vein Zone estimate is based on 100 holes which have intersected this zone to date. Assuming an open-pit scenario and using a cut-off grade of 1.0 g/t Au, Micon has estimated an indicated resource of 4.6 million tonnes with an average grade of 3.7 g/t gold, or 554,000 ounces of gold. Micon has also estimated an additional inferred resource of 4.3 million tonnes with an average grade of 2.7 g/t gold for 367,000 ounces of gold. Silver grades at Vein Zone were not considered economically significant and consequently were not incorporated into the resource at this time.

The mineral resource estimate was based on three major geologic domains: the Main quartz vein, the lower quartz vein and a broad envelope of quartz stockwork. Mineralization was restricted within these domains, and statistics were developed for each of these zones separately. Individual one meter composites were capped at 35 g/t Au within the Quartz Vein domain, and the composites within the stockwork domain were capped at 10g/t Au.

A specific gravity of 2.35 tonnes/m<sup>3</sup> was used for mineralization at Vein Zone. The grade of the mineral resource estimate was determined using the inverse distance squared method. The sensitivity of the mineral resource estimate to cut-off grades of 0.5, 1.0, and 2.0 g/t Au is shown in the table below, confirming a robust core to the mineralization:

Vein Zone Mineral Resource Estimate				
Classification	Cut-off	Tonnage	Au Grade	Product Au
	(g/t)	(T x 10 <sup>6</sup> )	(g/t)	(ounces)
Indicated	0.50	5.56	3.23	576,172
Inferred	0.50	6.86	1.93	426,020
Indicated	1.00	4.61	3.73	553,736
Inferred	1.00	4.31	2.65	366,888
Indicated	2.00	3.17	4.77	486,034
Inferred	2.00	2.21	3.85	273,636

Based on this new Vein Zone mineral resource estimate, Andean plans to develop an infill drilling program at Vein Zone that is designed to upgrade a portion of the inferred resources into the indicated classification, in order to include these ounces into a mine plan that will form the basis for the Pre-Feasibility Study which is currently underway.

Wayne Hubert, Andean Resources CEO, commented, "These results are compelling from the point of view of the size and the grade of the resource and its upside potential. The Andean Board has approved a 30,000m drilling effort for the coming drill season, more than double the prior year reflecting our assessment of the Cerro Negro property's potential to continue to create value for all our stakeholders."

**For further information please contact, in Australia;**

**Morrice Cordiner**  
Director

**Warren Gilmour**  
Chairman

**Or in North America;**

**Wayne Hubert**  
**Managing Director**

Note :Dave Laudrum, P.Geo., a Senior Associate of Micon International Limited is the Independent QP for the Cerro Negro Mineral Resource Estimates and will be the author of a NI 43-101 compliant Technical Report incorporating the results of the Resource Estimate which will be filed on the Canadian SEDAR system within 45 days of the date of this release. In addition, Dave Laudrum has sufficient experience which is relevant to the style of mineralization and type of deposit and with resource estimation of gold deposits to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Competent Person for the QA/QC issues related to this release is David Shatwell who is Fellow of the Australian Institute of Geoscientists, and who has reviewed the contents of this news release.