



ASX Announcement

30 April 2008

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QUARTERLY REPORT

For the Quarter Ended 31st March 2008

(Dollars expressed in Australian dollars)

HIGHLIGHTS

- Based on drill results through to March 2008, completed a JORC and NI 43-101 compliant resource estimate for 1.4 million ounces of gold and 23.7 million ounces of silver at Eureka West
- Expanded the Phase 4 drill program by 25% to be completed in June 2008
- Closed a A\$43 million financing in April 2008 by an issue of 25.8 million shares primarily into North American investors
- Hired Stabro Kasaneva as Andean's VP of Operations
- Pre-Feasibility Study on schedule for 3rd Quarter 2008

Wayne Hubert, Managing Director, summarized the quarter as follows: "Well done to the Andean team by discovering and delineating one of the highest grade resources discovered in the Americas over the last 5 years, which will be the foundation for a sizeable low cost operation at Cerro Negro. We have also bolstered the balance sheet and management team over the quarter, looking to fast track Cerro Negro to production."

Eureka West Resource Estimate

Based on all the infill and exploration drilling completed at Eureka during the quarter through drill-hole ERC-812, Andean released an updated JORC and NI 43-101 compliant resource estimate for the Eureka West Veins on April 16th, which included the following highlights:

- Infill drilling confirmed continuity of the high gold and silver grades
- Gold and silver grades more than doubled from the previous October 2007 resource estimate
- Total mineral resource tonnage up 15% from the prior estimate
- Contained ounces of gold increased by 119% to more than 1 million ounces of gold and 18 million ounces of silver; with grades of 12.9 g/t gold and 235 g/t silver in the Indicated category together with 0.34 million ounces of gold and 4.9 million ounces of silver (at a grade of 10.7 g/t gold and 157 g/t silver) in the Inferred category

The Eureka West Veins are on the western end of the Company's 100% owned Cerro Negro project (approximately 250 square kilometres in size) in Santa Cruz province, southern Argentina. A mineral resource estimate at the Vein Zone, another epithermal vein system located about 15 kilometres to the east of Eureka, is currently being updated and will be released when completed. To date, Andean has drill-tested two of the seven known epithermal vein occurrences on the Cerro Negro property and the mineral resource estimate published during the quarter covered the Eureka West veins only.

The CIMM- and JORC-compliant resource estimate was completed by Reno Pressacco, P.Geo., a Senior Associate Geologist with Micon International Limited, who is a Qualified Person as defined by NI 43-101. The results are summarized in the table below:

Continued

Category	Tonnes	Au g/t	Contained Oz	Ag g/t	Contained Oz
Indicated					
1.0 Vein	1,805,000	15.79	916,400	297.84	17,286,200
1.1 Vein	683,000	5.18	113,800	69.87	1,534,500
Total, Indicated	2,488,000	12.88	1,030,200	235.26	18,820,700
Inferred					
1.0 Vein	728,000	12.80	299,600	188.31	4,408,000
1.1 Vein	245,800	4.57	36,100	62.44	493,400
Total, Inferred	973,800	10.72	335,700	156.53	4,901,400

Two veins, referred to in the table above as the 1.0 and 1.1 veins, have been outlined by drilling at Eureka West. These two veins are near vertical, strike in a north-westerly direction, and are closely spaced – the 1.0 main Eureka West vein and the 1.1 vein in the footwall. The mineralization in the 1.0 Vein can be seen to be distinctly higher in both gold and silver grades and possesses a better continuity of grade when compared to the 1.1 Vein.

When this Eureka West resource is combined with the existing Vein Zone resource, Cerro Negro would host a resource of nearly 2.3 million ounces of gold and 24 million ounces of silver in the measured, indicated and inferred categories. An updated mineral resource estimate for the Vein Zone will be released during the current quarter based on the 3,400m of infill drilling through to the end of the December 2007 quarter. This combined Eureka West and Vein Zone resource estimate will provide the basis for the Pre-Feasibility Study (PFS).

Phase 4 Drilling Program Expanded by 25%

Andean has now completed its planned 30,000m Phase 4 drill programs ahead of schedule. The Andean Board has now approved an expansion of the program to approximately 40,000m, which will be completed in June 2008. Drilling priorities include the following:

- Exploration drilling of several structures at Eureka including the Eureka West footwall veins, the Eureka Main Structure (west of Canyon del Puma), the 721 Vein and the Mariana prospect area: and
- Continued drilling on the western-end of the Eureka West veins where further definition could improve the quality of the resource as these zones are open to the west

A\$43 Million Financing Closed

On April 16, 2008, Andean successfully completed its previously announced bought deal financing of 25,800,000 new shares, details of which were contained in the Company's news release dated 27 March 2008.

The offering was 1.8 times oversubscribed and raised CAD\$ 39,990,000 (approx AUD\$ 42,681,000), before expenses, primarily from North American based investors under a short form Canadian prospectus. The offering was co-ordinated by a syndicate of underwriters led by BMO Capital Markets and including Haywood Securities, RBC Capital Markets and Paradigm Capital.

The capital raised will be used to advance the exploration and development of the Company's Cerro Negro gold project in Argentina and for general working capital purposes.

Andean Hires VP Operations

On April 10, 2008, Andean announced the hiring of Stabro Kasaneva as Vice President of Operations from Yamana Gold Inc., where he was serving as General Manager of El Peñon. The El Peñon mine is a world-class gold and silver low-sulfidation epithermal deposit discovered and developed by Meridian Gold in the Atacama Desert of Chile, and now owned by Yamana. El Peñon has produced up to 330,000 ounces of gold per year with cash costs of less than \$50 per gold ounce over the last 8 years.

Andean's Cerro Negro property is rapidly developing into a world-class gold and silver low sulfidation deposit. Stabro spent most of the last 10 years working for Meridian Gold at El Peñon, starting as an underground mine geologist and worked his way up the organization until he assumed the position of General Manager at the mine. During his tenure at El Peñon, he was instrumental in the implementation of Six Sigma and when combined with several other productivity improvements, underground production improved 30% to above 3000 tonnes per day.

Stabro brings directly related underground and open pit mining experience of epithermal vein systems that can be applied at Cerro Negro as the Company fast-tracks the project through engineering studies to production.

Pre-Feasibility Study

The pre-feasibility study (PFS) for Andean's Cerro Negro project remains on schedule to be completed during the 3rd quarter of 2008. The PFS has been designed to enable a smooth transition to a bankable feasibility study (BFS) to be conducted over the remainder of 2008 and completed during the first half of 2009. Andean continues to utilize leading industry consultant specialists for all technical areas of the study to ensure the Company has a high level of confidence in the results generated.

To date, no material issues have been identified that would compromise the development of an economic project at Cerro Negro based upon the current mineral resource estimates and projected operating parameters.

A summary of the work completed during the quarter is as follows:

Resource Modelling:

- A three dimensional model of the mineralized systems was constructed during the 1st Quarter 08 for use in building the resource model for Eureka and Vein Zone using the geologic interpretations developed in-house.
- Micon completed the Eureka resource model and began drafting the NI 43-101 report associated with the resource estimate.
- Vein Zone resource modelling was initiated by Micon in the 1st Quarter and is expected to be completed in the 2nd Quarter.

Metallurgical Testwork

- A selection of representative samples were delivered to PRA Labs in January and test work initiated under the supervision of Ausenco.
- Grind optimization tests and leach characteristic tests are on-going. Preliminary recoveries have been determined for Mine Planning work, additional recovery test work is scheduled for the 2nd quarter.
- Plant design criteria has been determined and will be incorporated into future optimization test work.
- PQ core samples were delivered to PRA Labs for comminution test work.

Mine Planning

- Mine Development Associates of Reno, NV were selected for open pit and underground mine planning work.
- A preliminary exploration decline design was selected and will be used for planning in the 2nd Quarter.
- The resource block models developed by Micon will be used for all mine planning work.
- Golder Associates, Argentina will be developing the geotechnical model and have collected all data and rock samples.
- Hidroar S.A. has completed the hydrology study and determined six likely locations for production water wells to be used for processing.

Infrastructure

- A power options study has been completed by Technolatina S.A. outlining the capital cost and expected operating costs for the generation of electricity for several combinations of options.
- A general alignment of three possible access roads has been scoped; ongoing work will define the preferred access option.
- Construction of a wind tower has begun for the collection of wind data to be used in determining the feasibility of wind generators.
- A Request For Proposal (RFP) was distributed to three engineering companies for conceptual design of a tailings facility and geotechnical site characterization of the plant site and future camp.

Environmental/Communities

- Vector Argentina continues sampling and data collection necessary for the Environmental Baseline Study (EBS).
- Portions of the EBS completed include climate, air, hydrogeology, flora, fauna, and archaeology.
- Ongoing permitting work focuses on the access road and exploration decline.

CORPORATE

Financings and Liquidity

During the quarter, the Company expended approximately A\$ 4.2 million to advance the Cerro Negro project. At quarter-end, Andean had cash balances of approximately A\$5.7 million. During April 2008 additional funds of approximately A\$40 million, net of fees and expenses, were received from a public offering of 25.8 million shares (as described above).

Share Capital

At quarter-end the Company's issued securities were as follows:

- 368.6 million ordinary shares (after the April 16th new share offering the ordinary issued shares increased to 394.4 million)
- 25.6million unlisted options (at various strike pieces between A\$0.08 and A\$0.70)

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Note 1: Reno Pressacco has sufficient experience (more than 5 years) which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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". Reno Pressacco consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The information in this Report that relates to Mineral Resources is based on information compiled by Reno Pressacco, who is a Member of APGO, which is a 'Recognised Overseas Professional Organisation' ('ROPO') included in a list promulgated by the ASX from time to time.

Note 2: 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.

Appendix 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity

ANDEAN RESOURCES LTD

ABN

66 064 494 319

Quarter ended ("current quarter")

31 March 2008

Consolidated statement of cash flows

	Current Qtr \$A '000	Year to Date (9 months) \$A '000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for: (a) exploration and evaluation (b) development (c) production (d) administration	(4,245)	(8,111)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	121	429
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(5,257)	(11,743)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(39)	(800)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		10
1.10 Loans to/from other entities		
1.11 Loans repaid by other entities		
1.12 Other		
Net Investing Cash Flows	(39)	(790)
1.13 Total operating and investing cash flows (carried forward)	(5,296)	(12,533)

1.13 Total operating and investing cash flows (brought forward)	(5,296)	(12,533)
Cash flows related to financing activities		
1.14 Proceeds from the issue of shares, options, etc.	100	8,843
1.15 Proceeds from the sale of forfeited shares		
1.16 Proceeds from loans		
1.17 Repayment of loans		
1.18 Dividends paid		
1.19 Other – Capital Raising expenses		
Net financing cash flows	100	8,843
Net increase (decrease) in cash held	(5,196)	(3,690)
1.20 Cash at beginning of quarter/year to date	11,638	10,722
1.21 Exchange rate adjustments to item 1.20	(694)	(1,284)
1.22 Cash at end of quarter	5,748	5,748

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current Qtr \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	230
1.24 Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Consultancy fees (145) Directors fees, salaries & superannuation (85)
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	4,500
4.2 Development	
Total	4,500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to related items in the accounts as follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	1,439	1,638
5.2 Deposits at call	4,309	10,000
5.3 Bank Overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (Item 1.22)	5,748	11,638

Changes in interests in mining tenements

Tenement Reference	Nature of interest (note (2))	Interest at Beginning of Quarter	Interest at End of Quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2 Interests in mining tenements acquired or increased	Nil		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number Issued	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference securities (description)				
7.2 Issued during Quarter				
7.3 Ordinary securities	368,619,749	368,619,749		
7.4 Issued during Quarter	500,000	500,000		
7.5 Convertible debt securities (description)				
7.6 Issued during quarter				
7.7 Options (description)	5,000,000 4,000,000 1,000,000 1,000,000 7,000,000 980,000 1,600,000 2,000,000 3,000,000		Exercise Price 8 cents 25 cents 30 cents 35 cents 30 cents 35 cents 40 cents 40 cents 70 cents	Expiry Date 30/06/08 31/10/09 30/04/10 31/10/10 30/09/10 27/02/09 14/03/11 30/06/11 14/07/11
7.8 Issued during Quarter				
7.9 Exercised during Quarter	500,000		20 cents	31/12/08
7.10 Expired during Quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance Statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.



Sign here:

Ross Arancini
Company Secretary

Date: 30 April 2008

Notes

1. The quarterly report is to provide a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. Any entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of Interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
