



ASX Announcement

Date: 13 December 2004

**ANDEAN RESOURCES
LIMITED**

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

Fundraising to Advance the Cerro Negro Gold Project

\$2.7million Placement to Clients of Southern Cross Equities

The Directors of Andean Resources Limited (**ASX:AND**) are pleased to announce the Company has completed a capital raising of A\$2.7million (before expenses) to institutional and private clients of Southern Cross Equities Limited. The placement comprises the issue of 30.0 million new ordinary shares at A\$0.09 per share.

Shares to be allotted under the placement will be issued pursuant to the approval granted by shareholders at the recent Annual General Meeting on 29th November 2004, and ASX Listing Rule 7.1.

Southern Cross Equities will be paid a fee equivalent to 5% of funds raised and, in addition, will receive 2.0 million unlisted options over ordinary shares exercisable at \$0.20 per share at any time prior to 31 December 2009.

Forthcoming Activities and release of Corporate Update

Funds raised from the placement will be used to carry out a 5000m RC and 2000m diamond drilling program at the main Vein Zone and Heradura prospects at the Company's 100% owned Cerro Negro Gold Project located in the Southern Argentinean province of Santa Cruz.

In addition, the Company is currently finalising a comprehensive re-compilation and fresh interpretation of the geological and drilling data previously compiled for Cerro Negro. The results of this review and a status update on the project will be released shortly.

The Chairman of Andean, Mr Warren Gilmour, said the Company was looking forward to working with Southern Cross Equities in applying the funds raised to further delineate the potential of the Company's gold projects in Argentina.

A recent Corporate Profile giving background information on the Company and the Cerro Negro Project is being released contemporaneously with this announcement.

Secondary Trading and ASIC Relief

In accordance with the requirements of the Corporations Act Section 708 (A), the Company confirms that there is no information of the kind that would require to be disclosed under sub-section 713 (5) of the Corporations Act if a prospectus were to be issued by the Company in reliance on Section 713 of the Corporations Act.

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About Andean Resources

Andean Resources is an Australian listed public company (ASX:AND) focused on the exploration and development of gold projects in Patagonia, Southern Argentina. The Company's major project is the 100% owned Cerro Negro epithermal gold deposit which was acquired from MIM/Xstrata in January 2004. The project, which is located in the southern Argentinean province of Santa Cruz at an elevation of approx 800m above sea level, contains a previously reported resource of approx. 620,000 ounces of gold (comprising 6.0 m tonnes at 3.2g/t gold).