

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Andean Resources Limited (**Andean**)

ACN/ARSN ACN 064 494 319

1. Details of substantial holder (1)

Name Kingsgate Consolidated Limited (**Kingsgate**) (and Kingsgate South America Pty Ltd (**Bidder**)).

ACN/ARSN (if applicable) ACN 000 837 472

This notice is also given on behalf of Kingsgate South America Pty Ltd (ACN 118 498 561); Kingsgate Capital Pty Limited (ACN 095 220 607); Akara Mining Limited; Naka Udsahakum Limited; Issara Mining Limited; Richaphum Mining Limited; Kingsgate Peru SRL; and Minera Kingstae Capital South America Limitada (**Related Bodies Corporate**).

There was a change in the interests of the substantial holder on

See Annexure "A"

The previous notice was given to the company on

27/04/2006

The previous notice was dated

27/04/2006

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Nil	27,910,400 ordinary shares fully paid	10.33% (based on 270,289,686 ordinary shares on issue)	38,799,628 ordinary shares fully paid	13.51% (based on 287,289,686 ordinary shares on issue)

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
See Annexure "A"	Kingsgate and its Related Bodies Corporate.	Acquisition of relevant interest under s608(1) of the Corporations Act pursuant to acceptances of offers dated 14 March 2006 made under Bidder's off market takeover bid for ordinary shares in Andean on the terms set out in Bidder's replacement Bidder's Statement dated 9 March 2006 (the Offer). Kingsgate's power to vote or dispose of Andean shares accepted into the Offer is qualified until Kingsgate becomes the registered holder of those shares.	One (1) Kingsgate ordinary share for every fifteen (15) Andean ordinary shares	10,889,228 ordinary shares fully paid	10,889,228

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Kingsgate and its Related Bodies Corporate	Persons to whom the Offer referred was made who have accepted the Offer	Kingsgate South America Pty Ltd	As set out in 3 above.	38,799,628 ordinary shares fully paid	38,799,628

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not applicable	Not applicable

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Kingsgate and its Related Bodies Corporate	Level 8, 14 Martin Place, Sydney, NSW, 2000
Andean	1/1 Nairn Street, Fremantle, Western Australia 6959

Signature

print name John Falconer

capacity Director

sign here



date 26/05/2006

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
- (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

