

2 October 2024

Andean completes final deferred acquisition payment for Cerro Bayo Silver-Gold Project

Key Points

- » Final deferred acquisition payment of \$750,000 paid in cash to the vendor, Equus Mining
- » Early payment follows the Company's highly successful recent \$25m capital raising and results in a \$250,000 saving for Andean
- » Reflects Andean's confidence in achieving upcoming resource growth milestones
- » 40,000m of resource expansion drilling planned for FY25 with up to four rigs

Andean Silver Limited (ASX: ASL) ("Andean" or the "Company") is pleased to advise that it has reached agreement with the vendor of its flagship Cerro Bayo Silver-Gold Project in Chile, Equus Mining Ltd (ASX: EQE), to settle the final deferred consideration component for the acquisition early for A\$750,000 in cash.

Under the original acquisition terms for the Cerro Bayo Project announced on 1 December 2023, the Company agreed to make a deferred payment of A\$1 million in cash or, at Andean's election and subject to Andean shareholder approval, fully-paid ordinary shares on the achievement of an Inferred Mineral Resource of not less than 100Moz AgEq at a grade of no less than 300g/t AgEq within five years from completion.

Following the success of Andean's recent A\$25 million placement, the Company has been able to reach agreement with Equus Mining to settle this final deferred consideration payment for A\$750,000 in cash by 15 October 2024.

This early settlement reflects the Company's confidence in being able to rapidly achieve further resource growth milestones, while also saving A\$250,000 in cash.

There are no future deferred payments under the acquisition agreement.

The Cerro Bayo Project currently hosts a total Inferred and Indicated Mineral Resource Estimate of **8.2Mt @ 342g/t AgEq for 91Moz AgEq**. Andean continues to advance the Cerro Bayo Project with 40,000m of drilling planned for FY25 and up to four drill rigs operating on site. Further Resource updates are scheduled in Q1 2025 and Q3 2025, along with ongoing regional exploration work.

Andean Chief Executive Officer Tim Laneyrie said:

"We are very pleased to have reached agreement with Equus to settle the deferred consideration early via a reduced cash payment of \$750,000. Our recent highly successful capital raising has given us the financial flexibility to make this payment, while ensuring we are well-funded for what will be a huge 12 months ahead for Andean as we continue to drill aggressively to grow our resource".

-ENDS-

This announcement has been approved for release by the Board of Directors.

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About Andean Silver

Andean Silver Limited (ASX:ASL) (formerly Mitre Mining Corporation Ltd) is an Australian mineral exploration and development company focused on advancing its 100% owned Cerro Bayo Silver-Gold project in the Aysen region of Southern Chile. The Cerro Bayo Silver-Gold Project currently hosts Indicated and Inferred Mineral Resources of 8.3Mt at a grade of 342g/t for 91Moz of contained AgEq (refer Appendix A). Andean Silver intends to rapidly advance the project and grow the existing silver-gold resource to demonstrate a globally significant silver-gold asset. For further information regarding Andean Silver Limited, please visit the ASX platform (ASX:ASL) or the Company's website at www.andeansilver.com.

Compliance Statements

The Mineral Resource Estimate for the Cerro Bayo Project referred to in this announcement was first reported in the Company's ASX release dated 16 September 2024, titled "Clarification – Resource soars more than 80% to 91Moz AgEq". Andean Silver confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

Appendix A - Cerro Bayo Project Mineral Resource Estimate

Mineral Resource Estimate as at 1 September 2024

Area	Indicated					AgEq (g/t)	AgEq (Moz)	AuEq (g/t)	AuEq (koz)
	Tonnes (Mt)	Ag Grade (g/t)	Au Grade (g/t)	Silver (Moz)	Gold (koz)				
LVMC - UG	0.4	532	4.9	6.5	60	939	11.5	11.3	139
	0.4	532	4.9	6.5	60	939	11.5		

Area	Inferred					AgEq (g/t)	AgEq (Moz)	AuEq (g/t)	AuEq (koz)
	Tonnes (Mt)	Ag Grade (g/t)	Au Grade (g/t)	Silver (Moz)	Gold (koz)				
LVMC - UG	2.9	171	2.8	16.1	265	405	38.1	4.9	459
LVMC - OP	2.9	38	1.6	3.6	148	171	15.8	2.1	191
CBMC - UG	2.0	190	2.4	12.4	155	387	25.2	4.7	304
	7.8	127	2.2	32.1	568	313	79.1	3.8	954

Total Indicated and Inferred	Tonnes (Mt)	Ag Grade (g/t)	Au Grade (g/t)	Silver (Moz)	Gold (koz)	AgEq (g/t)	AgEq (Moz)	AuEq (g/t)	AuEq (koz)
	8.2	146	2.4	38.6	628	342	90.7	4.1	1,093

1. Mineral Resource Estimates are classified and reported in accordance with the 2012 JORC Code.
2. Open pit resources are reported to a cut-off grade of 65g/t AgEq.
3. Pit optimisation shells were used to constrain the resource using a gold price of US\$1,850/oz and Silver price of US\$24/oz.
4. Taitao Underground Mineral Resource Estimates are reported at a cut-off of 165g/t AgEq beneath the open pit. LVMC and CBMC Resources external to Taitao are reported at a cut-off of 200g/t AgEq.
5. Silver equivalents are calculated using the equation $AgEq = Ag(g/t) + (83 \times Au(g/t))$ and gold equivalents are calculated based on the equation $AuEq = Au(g/t) + (Ag(g/t) / 83)$ based on a gold price of US\$1,900/oz and Silver price of US\$23/oz. Metallurgical recoveries for gold and silver are closely linked and are typically 92-93% for gold and silver. The Company considers the estimation of metallurgical recoveries in respect of exploration work to be reasonable based on the past processing records from the nearby Cerro Bayo plant between 1995 and 2016, and work undertaken in preparing the Mineral Resource Estimate. It is the Company's view that all elements in the silver and gold equivalents calculations have a reasonable potential to be recovered and sold.
6. Bulk Density of 2.63g/cm³ has been applied to veins and 2.57g/cm³ has been applied to stockwork and waste domains.
7. No internal selectivity or dilution has been applied and the stockwork domains have been modelled using a selective mining unit (SMU) of 2.5m x 5m x 2.5m (X,Y,Z) with dilution incorporated into the SMU.
8. Numbers may not add due to rounding.