

5 February 2025

Diane Djotaroeno  
Adviser – Listings Compliance  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Diane

**RE: Issue of Restricted Stock Units**

Andean Silver Ltd (ASX: ASL), (**Andean** or the **Company**) has issued 500,000 Restricted Stock Units (the **Units**) to management of its Chilean operations. The Units are being issued under the Company's ASX listing rule 7.1 capacity. Shareholder approval is not being sought at this time, although the Company may seek ratification of the issue by shareholders.

The Units are being issued under similar terms and conditions to performance rights issued under the Company's Employee Incentive Securities Plan, and the full terms and conditions of the Units are attached for reference.

An Appendix 3G will be released to the ASX following this announcement.

Yours sincerely,

Andrew Bickley

**Joint Company Secretary**

## Attachment – Terms and conditions of Restricted Stock Units

The following terms and conditions (**Terms**) apply to each of the Restricted Stock Units (**Units**):

### 1. Entitlement

Subject to the terms and conditions set out below, each Unit, once vested, entitles the holder to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

### 2. Quotation of Units

The Company will not apply for official quotation of the Units on ASX.

### 3. Issue Price

The Units will be issued for cash consideration of A\$10.00.

### 4. Vesting Conditions

Subject to the terms and conditions set out below, the Units will have the following vesting conditions:

Units		Vesting conditions										
Class	Number											
A	166,666	Satisfaction of the Retention Condition and the Company’s Shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.										
B	166,666	Satisfaction of both the Retention Condition and the Company announcing a JORC Code compliant total Mineral Resource at a grade of not less 180g/t silver equivalent on or before 31 December 2027 as follows: <table><tr><th>Mineral Resources</th><th>% of Units eligible for vesting</th></tr><tr><td>Less than 130Moz</td><td>0%</td></tr><tr><td>Target: At 130Moz</td><td>50%</td></tr><tr><td>Between 130Moz and 150Moz</td><td>Pro-rata vesting</td></tr><tr><td>Stretch: 150Moz or more</td><td>100%</td></tr></table>	Mineral Resources	% of Units eligible for vesting	Less than 130Moz	0%	Target: At 130Moz	50%	Between 130Moz and 150Moz	Pro-rata vesting	Stretch: 150Moz or more	100%
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Less than 130Moz	0%											
Target: At 130Moz	50%											
Between 130Moz and 150Moz	Pro-rata vesting											
Stretch: 150Moz or more	100%											
C	166,667	Satisfaction of both the Retention Condition and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2027.										

Where:

**"20-Day VWAP"** means the volume weighted average market price of the Company's Shares calculated over 20 consecutive trading days in which Shares have actually traded following the date of issue of the Units;

**"JORC Code"** means the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, or as updated with subsequent editions; and

**“Retention Condition”** means the Participant remaining as a representative of at least one subsidiary of the Company (or a related body corporate) for a continuous period up to and including 31 December 2027.

5. **Vesting**

Subject to the satisfaction of the Vesting Conditions on the Vesting Date as determined by the Board in its sole discretion (subject to the ASX Listing Rules), the Company will notify the holder in writing (**Vesting Notice**) that the Vesting Conditions have been satisfied.

6. **Expiry Date**

The Units will expire and lapse on the first to occur of the following:

- (a) the Units are not exercised in accordance with these terms before 5pm AWST on 31 December 2028; and
- (b) the Vesting Conditions becoming incapable of satisfaction as determined by the Board in its discretion,

**(Expiry Date).**

7. **Exercise**

At any time between receipt of a Vesting Notice and the Expiry Date (as defined in paragraph 6 above), the holder may apply to exercise Units by delivering a signed notice of exercise to the Company Secretary. The holder is not required to pay a fee to exercise the Units.

8. **Change of control**

Unvested Units automatically vest and are automatically exercised upon the occurrence of a “Change of Control” occurring before the Expiry Date. A “Change of Control” will occur if:

- (a) a person who does not Control the Company at the time the Units are issued achieves Control of more than 50% of the ordinary voting securities in the Company;
- (b) a takeover bid under Chapter 6 of the Corporations Act has been made in respect of the Company and:
  - (i) acceptances for not less than 50.1% of the Company's shares on issue have been received; and
  - (ii) the bid has been declared unconditional by the bidder; or

- (c) a Court grants orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies.

**9. Malus and clawback**

Where, in the opinion of the Board, the Participant:

- (a) acts fraudulently or dishonestly;
- (b) wilfully breaches their duties to the Company (or any other entity within the same corporate group as the Company);
- (c) is responsible for: material financial misstatements; major negligence; significant legal, regulatory and/or policy non-compliance; or a significant harmful act; or
- (d) breaches the Company's Code of Conduct,

then the Board may determine that:

- (e) some or all of the Units will not be issued to the Participant (or his nominee); and/or
- (f) the Vesting Condition and/or vesting period applying to the Units should be reset or altered (as the case may be and subject to compliance with the ASX Listing Rules); and/or
- (g) any or all of the unvested, or vested but unconverted, Units are forfeited and lapse.

**10. Issue of Shares**

As soon as practicable after the valid exercise of a vested Unit, the Company will:

- (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
- (b) issue an updated holding statement for any remaining unexercised Units held by the holder;
- (c) if required, and subject to clause 11, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the ASX Listing Rules.

**11. Restrictions on transfer of Shares**

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of the Units may not be traded until 12

months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.

12. **Ranking**

All Shares issued upon the conversion of Units will upon issue rank equally in all respects with other Shares.

13. **Transferability of the Units**

The Units are not transferable, except with the prior written approval of the Company in exceptional circumstances at its sole discretion and subject to compliance with the Corporations Act and ASX Listing Rules.

14. **Dividend rights**

A Unit does not entitle the holder to any dividends.

15. **Voting rights**

A Unit does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.

16. **Quotation of the Units**

The Company will not apply for quotation of the Units on any securities exchange.

17. **Adjustments for reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Units holder will be varied in accordance with the ASX Listing Rules.

18. **Entitlements and bonus issues**

Subject to the rights under paragraph 19, holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.

19. **Bonus issues**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares which must be issued on the exercise of a vested Unit will be increased by the number of Shares which the holder would have received if the holder had exercised the Unit before the record date for

the bonus issue, so as to preserve the proportionate value of the Units vis-à-vis the Company's ordinary shares.

**20. Return of capital rights**

The Units do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

**21. Rights on winding up**

The Units have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

**22. Takeovers prohibition**

- (a) The issue of Shares on exercise of the Units is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
- (b) The Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Units.

**23. Other forfeiture events**

**23.1 Leaver**

Unless the Board determines otherwise in its sole and ultimate discretion, if the Participant ceases to be a representative of at least one subsidiary of the Company:

- (a) unvested Units will automatically be forfeited upon termination; and
- (b) vested Units will automatically be forfeited:
  - (i) upon removal of representative position, in the case of the Participant being deemed by the Board to be a 'bad' leaver (eg. resignation); and
  - (ii) 30 days after removal of representative position, in the case of the Participant being deemed by the Board to be a 'good' leaver (eg. retirement, or incapacitation).

**23.2 Insolvency**

A Unit held by a person in accordance with these Terms will be forfeited immediately on the date that the Participant becomes Insolvent.

23.3 **Restriction of dealing**

The Participant (and his Nominee) may not sell, assign, transfer, grant a Security Interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a Derivative with reference to, or otherwise deal with a Unit that has been granted to them. The Unit is forfeited immediately on purported sale, assignment, transfer, dealing or grant of a Security Interest other than in accordance with the Terms.

23.4 **Discretion to determine that the Units are not forfeited**

Notwithstanding the Terms of the Units (other than paragraph 23.5), the Board may decide (on any conditions which it thinks fit) that some or all of a holder's Units will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the holder.

23.5 **Voluntary forfeiture**

A holder may by written notice to the Company voluntarily forfeit their Units for no consideration.

24. **Prohibition on hedging**

The Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Unit that has been granted to them.

25. **Amendments required by ASX**

The terms of the Units may be amended as considered necessary by the Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated in any material respect.

26. **Constitution**

Upon the issue of the Shares on exercise of the Units, the holder will be bound by the Company's Constitution.

27. **Governing law**

- (a) These Terms are governed by the laws of Western Australia.
- (b) The Participant and his Nominee (if any) submit to the non-exclusive jurisdiction of the courts of Western Australia, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought in connection with these Terms.

## 28. Definitions

In these Terms, unless the context otherwise requires, the following terms and expressions will have the following meanings:

**Associated Entity** has the meaning given to that term in section 50AAA of the Corporations Act.

**ASX** means the ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange or the securities exchange operated by that entity, as appropriate.

**Board** means the board of directors of the Company.

**Control** has the same meaning as in section 50AA of the Corporations Act.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Derivatives** includes:

- (a) derivatives within the meaning given in section 761D of the Corporations Act (such as options, forward contracts, swaps, futures, warrants, caps and collars); and
- (b) any other transaction in financial products which operate to limit (in any way) the economic risk associated with holding the Units.

**Group** means the Company and each of its Associated Entities from time to time.

**Insolvent** A person is Insolvent if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it has had a controller appointed or is in liquidation, in provisional liquidation, under administration, wound up or has had a receiver appointed to any part of its property;
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Company);
- (d) an application or order has been made (and in the case of the application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is likely to result in any of (a), (b) or (c) above);
- (e) it is taken (under s.459F(1) of the Corporations Act) to have failed to comply with a statutory demand);



- (f) it is subject to an event described in section 459C(2)(b) or section 585 of the Corporations Act;
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

**Participant** means Mr Álvaro Fuentes Castro.

**Security Interest** means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.