ANDEAN PRECIOUS METALS

ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

DECEMBER 17, 2024

TABLE OF CONTENTS

ITEM 1: INTRODUCTORY NOTES

1.1 Incorporation of Documents by Reference

In this Annual Information Form (the **"AIF"**), unless the context otherwise requires, the "**Company**", "**Andean**", "**its**", "**our**" and "**we**", or related terms, refer to Andean Precious Metals Corp. and its wholly owned subsidiaries.

Except as otherwise disclosed herein, all financial information in this AIF has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as prescribed by the International Accounting Standards Board.

The scientific and technical information included in this AIF concerning the San Bartolomé, Tatasi-Portugalete, dry-stack facility ("**DSF**") and fines disposal facility ("**FDF**") project areas has been derived and summarized from the technical report entitled "NI 43-101 Technical Report, San Bartolome Mine, Bolivia" dated February 6, 2024 and having an effective date of December 1, 2023 (the "**San Bartolomé Technical Report**"). The San Bartolomé Technical Report was prepared for Andean by the following "Qualified Persons" as defined under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"): Giovanny Ortiz (SRK Consulting (U.S.), Inc.), Donald J. Birak (Birak Consulting, LLC), Fernando Rodrigues (SRK Consulting (U.S.), Inc.), Eric J. Olin (SRK Consulting (U.S.), Inc.), Mark Willow (SRK Consulting (U.S.), Inc.), Matt Fuller (Tierra Group) and Patrick Daniels ((SRK Consulting (U.S.), Inc.). The San Bartolomé Technical Report was filed under the Company's SEDAR+ profile on http://www.sedarplus.ca/.

The scientific and technical information included in this AIF concerning the Soledad Mountain Heap Leach Project has been derived and summarized from the technical report entitled "Feasibility Study Update, Technical Report on the Soledad Mountain Heap Leach Project, Kern County, California USA" having an effective date of January 12, 2024, a mineral reserve effective date of September 30, 2023, and a mineral resource effective date of September 30, 2023 (the "**Soledad Mountain Technical Report**"). The Soledad Mountain Technical Report was prepared for Andean by the following "Qualified Persons" as defined under NI 43-101: Carl Defilippi, (Kappes Cassiday & Associates, RM SME), Joseph McNaughton (Independent Mining Consultants, Inc, PE), Michael Gustin (RESPEC, CPG) and George Klemmick (Consulting Geologist, CPG). The Soledad Mountain Technical Report was filed under the Company's SEDAR+ profile on http://www.sedarplus.ca/.

The scientific and technical content disclosed in this AIF was reviewed and approved by Donald J. Birak, Senior Consulting Geologist to the Company, a Qualified Person as defined by Canadian National Instrument 43-101, Registered Member, Society for Mining, Metallurgy and Exploration (SME), Fellow, Australasian Institute of Mining and Metallurgy (AusIMM).

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this AIF to the extent that a statement contained in this AIF or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this AIF, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

1.2 Date of Information

All information in this AIF is as of December 31, 2023 unless otherwise indicated.

1.3 Cautionary Note Regarding Forward-Looking Information

Information in this AIF, including any information incorporated by reference herein, may constitute “forward-looking information”, “future oriented financial information”, “financial outlooks” or “forward-looking statements” (collectively, “**forward-looking information**”) within the meaning of applicable securities legislation. Any forward-looking information is provided as of the date of this AIF and the Company does not intend to and does not assume any obligation to update forward-looking information, except as required by applicable law. For this reason and the reasons set forth below, investors should not place undue reliance on forward-looking information. To the extent any forward-looking information in this AIF constitutes “future oriented financial information” or “financial outlooks” within the meaning of applicable securities legislation, the purpose of such information being provided is to demonstrate the potential of the Company, and readers are cautioned that this information may not be appropriate for any other purpose. All references made herein to the Company include predecessor entities.

Often, but not always, forward-looking information can be identified by using forward-looking terminology such as “may”, “will”, “expect”, “believe”, “estimate”, “plan”, “could”, “should”, “would”, “outlook”, “forecast”, “anticipate”, “foresee”, “continue” or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on reasonable assumptions that have been made by Andean as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Andean to be materially different from those expressed or implied by such forward-looking information, including but not limited to, risks related to: additional funding requirements; credit risk; conflicts of interest; market for securities and volatility of share price; public health crises; adverse general economic conditions; dividends; information systems and cyber security; activist shareholders; reputational damage; internal controls; evolving corporate governance and public disclosure regulations; holding company status; commodity prices and availability; supply and quality of purchased ore; accuracy of cost estimates; exploration, development and operating risks; health, safety and environmental risks and hazards; nature and climatic condition risk; uncertainty in the estimation of mineral reserves and mineral resources; replacement of depleted mineral reserves; uncertainty relating to mineral resources; uncertainty relating to future production estimates; infrastructure; permitting; insurance and uninsured risks; foreign operations and political risk; compliance with anti-corruption laws; increases in production costs; competition; community relationships; non-governmental organizations; litigation affecting mineral properties; foreign subsidiaries; reliance on local advisors and consultants in foreign jurisdictions; enforcement of legal rights; expansion risk; dependence on management and key personnel; and dependence on employees.

Forward-looking information in this AIF include, but are not limited to, statements and information regarding:

- the Company’s future mining activities, including mining capacity, recovery, cash costs, production and mine life;
- the Company’s future ore purchase activities;
- the Company’s reserve and resource estimates;
- the Company’s exploration and development plans, including anticipated costs and timing thereof; the timing and location of future drilling;
- the timing of test results, geological reports and/or technical reports;
- the Company’s ability to obtain and maintain required licences, permits, required agreements with third parties and regulatory approvals;
- the Company’s plans for growth through exploration activities, acquisitions or otherwise; and

- expectations regarding future maintenance and capital expenditures, working capital requirements, the availability of financing and future effective tax rates.

Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited to:

- the Company’s ability to carry on exploration and development activities;
- the Company’s ability to secure and to meet obligations under property and option agreements and other material agreements;
- the timely receipt of required approvals and permits;
- that there is no material adverse change affecting the Company or its properties;
- that contracted parties provide goods or services in a timely manner;
- that no unusual geological or technical problems occur;
- that plant and equipment function as anticipated; and
- that there is no material adverse change in the price of silver, or costs associated with production or recovery.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or industry results, to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct, and you are cautioned not to place undue reliance on forward-looking statements contained herein.

Andean has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, however there may be other factors that cause results to not be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Readers of this AIF should carefully review the risk factors set out in this AIF under the heading “*Risk Factors*”.

1.4 Technical Abbreviations

In this AIF, unless otherwise noted, “Au” represents gold; “Ag” represents silver; “oz” represents troy ounce; “g/t” represents grams per metric tonne; “ft.” represents feet; “m” represents meter; “sq.” represents square, and C$ refers to Canadian dollars.

1.5 Currency and Exchange Rates

All financial information in this AIF is prepared in United States dollars (“**USD**”), unless otherwise noted, reflecting its primary currency for financial reporting. However, given its operational presence in Bolivia, the United States of America, Mexico, Canada, and Sweden, the Company engages in transactions across various currencies.

Notably, while precious metals sales are predominantly denominated in USD, a portion of operating costs and capital spending occur in local currencies of the respective operating countries. Consequently, fluctuations in the value of the USD against these local currencies can impact the Company's financial performance negatively by strengthening local currencies relative to the USD and positively impacted by the inverse. Of particular significance is the fixed exchange rate between the Bolivian Boliviano and the USD, which has remained constant since 2008 at a rate of 6.96 Bolivian Bolivianos per USD. However, because of a shortage of U.S. dollars in Bolivia, financial institutions were buying U.S. dollars at an average exchange rate per U.S. dollar higher than the official rate of 6.96 BOB per U.S. dollar. There can be no guarantee that the Boliviano will continue to be fixed to the USD. Any potential adjustments to this fixed rate could have implications for the Company's financial outcomes.

The Company maintained a corporate office in Monterrey, Mexico where substantial expenses are denominated in Mexican pesos. During the year ended December 31, 2023, the MXN strengthened against the USD. The average foreign exchange rate was MXN17.44 per USD, with the MXN trading within a range of $16.95 to $19.46. This compares to an average of $20. 11, with a range of $19.19.13 to $21.36 Mexican pesos per USD during the year ended December 31, 2022.

During the year ended December 31, 2023, the CAD average foreign exchange rate was $1.3492 per USD, with the Canadian dollar trading within a range of $1.3113 to $1.3877. This compares to an average of $1.3492 with a range of $1.2482 to $1.3885 per USD for 2022.

The following table shows the spot prices of the Canadian dollar (“CAD”) and Mexican peso (“MXN”) relative to the USD.

	CAD			MXN		
	Three months ended December 31			**Three months ended December 31**		
Spot price	**2023**	2022	Change	**2023**	**2022**	Change
Closing	**1.3230**	1.3552	(2%)	**16.95**	19.46	(13%)
Low	**1.3195**	1.3254	(0%)	**16.91**	19.13	(12%)
High	**1.3877**	1.3855	0%	**18.33**	20.13	(9%)
Average	**1.3614**	1.3572	1%	**17.55**	19.67	(11%)

	CAD			MXN		
	Twelve months ended December 31			**Twelve months ended December 31**		
Spot price	**2023**	2022	Change	**2023**	**2022**	Change
Closing	**1.3230**	1.3552	(2%)	**16.95**	19.46	(13%)
Low	**1.3113**	1.2482	5%	**16.68**	19.13	(13%)
High	**1.3877**	1.3855	0%	**19.46**	21.36	(9%)
Average	**1.3492**	1.3002	4%	**17.44**	20.11	(12%)

Andean regularly monitors economic conditions and estimates their impact on its operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

1.6 Market and Industry Data

The industry data contained in this AIF is based upon information from independent industry and other publications and Andean’s management’s knowledge of, and experience in, the industry. Industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data at any particular point in time, the voluntary nature of the data gathering process or other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of this data are not guaranteed. Andean has not independently verified any of the data from third party sources referred to in this AIF or ascertained the underlying assumptions relied upon by such sources.

1.7 Cautionary Note for United States Readers

Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in this AIF have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy ("**CIM**") and Petroleum Definition Standards on Mineral Resources and Reserves ("**CIM Definition Standards**") and have not been prepared in accordance with the requirements of U.S. securities laws. These standards differ significantly from the historical requirements of the Securities and Exchange Commission (the "**SEC**"), and mineral reserve and resource information contained herein may not be comparable to similar information disclosed by U.S. companies.

The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the U.S. *Securities Exchange Act of 1934*, as amended (the "**Exchange Act**"). These amendments became effective February 25, 2019 (the "**SEC Modernization Rules**") with compliance required for the first fiscal year beginning on or after January 1, 2021. Under the SEC Modernization Rules, the historical property disclosure requirements for mining registrants included in SEC Industry Guide 7 will be rescinded and replaced with disclosure requirements in subpart 1300 of SEC Regulation S-K.

As a result of the adoption of the SEC Modernization Rules, the SEC will recognize estimates of "measured mineral resources," "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding definitions under the CIM Definition Standards that are required under NI 43-101. While the above terms are "substantially similar" to CIM definitions, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as "proven mineral reserves", "probable mineral reserves", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules.

Accordingly, information contained in this AIF contains descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

1.8 Non-GAAP financial measures, ratios and supplementary financial measures

This AIF "specified financial measures" within the meaning of National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure ("**NI 52-112**"), specifically the non-GAAP financial measures, non-GAAP ratios and supplementary financial measures described below. Management believes that the use of these measures assists analysts, investors and other stakeholders of the Company in understanding the costs associated with producing silver and gold, understanding the economics of silver and gold mining, assessing operating performance, the Company's ability to generate free cash flow from current operations and on an overall Company basis, and for planning and forecasting of future periods.

The specified financial measures used in this AIF do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers, even as compared to other issuers who may be applying the World Gold Council ("**WGC**") guidelines. Accordingly, these measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following is a description of the non-GAAP financial measures, non-GAAP ratios and supplementary financial measures used in this AIF:

(i) OCC includes total production cash costs incurred at the Company's mining operations, which form the basis of the Company's cash costs, less by-product revenue.

(ii) AISC on a by-product basis per ounce is a non-GAAP ratio calculated as AISC on a by-product basis divided by ounces of silver equivalent ounces sold for San Bartolomé operations. For Golden Queen operations, AISC on a by-product basis per ounce is calculated on a by-product basis divided by ounces of gold equivalent ounces sold. AISC on a by-product basis is a non-GAAP financial measure calculated as the aggregate of production costs as recorded in the consolidated statements of income (loss), refining and transport costs, cash component of sustaining capital expenditures, lease payments related to sustaining assets, corporate general and administrative expenses and accretion expenses. When calculating AISC on a by-product basis, all revenue received from the sale of gold at San Bartolomé or silver at Golden Queen are treated as a reduction of costs incurred. The Company believes that AISC represents the total costs of producing silver and gold from current operations and provides the Company and other stakeholders of the Company with additional information relating to the Company's operational performance and ability to generate cash flow.

(iii) AIC represents AISC plus growth capital and non-sustaining exploration and evaluation costs. Non-sustaining exploration and evaluation costs represent costs associated with the Company's exploration portfolio, primarily relating to activities at the FDF and DSF. Certain other cash expenditures including tax payments, debt payments, dividends and financing costs are also not included in the calculation of AIC. The Company reports these measures on a per silver or gold ounce sold basis.

(iv) Cash gross operating margin ("CGOM") per equivalent ounce sold is calculated by subtracting the average cash cost of sale (cost of sales and business unit general and administration cost per equivalent ounce from the average selling price per equivalent ounce. It is a measure of financial performance with no prescribed definition under IFRS and may not be comparable to similar financial measures disclosed by other issuers.

(v) Gross margin ratio ("GMR") is calculated by subtracting the cost of sale as reported in the income statement from the revenue of equivalent ounces divided by revenue from sales of equivalent ounces. GMR is a measure of financial performance with no prescribed definition under IFRS and may not be comparable to similar financial measures disclosed by other issuers.

(vi) EBITDA is defined as earnings before interest, tax, depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure calculated by adjusting net income (loss) as recorded in the condensed interim consolidated statements of income (loss) for items not associated with ongoing operations. The Company believes that this generally accepted industry measure allows the evaluation of the results of income-generating capabilities and is useful in making comparisons between periods. This measure adjusts for the impact of items not associated with ongoing operations. A reconciliation of adjusted net income (loss) to the nearest IFRS measures is set out below. Management uses this measure to monitor and plan for the operating performance of the Company in conjunction with other data prepared in accordance with IFRS.

(vii) Free cash flow is a non-GAAP financial measure calculated as cash provided by operating activities from continuing operations less property, plant and equipment additions. A reconciliation of free cash flow to the nearest IFRS measures is set out below. Management uses this measure to monitor the amount of cash available to reinvest in the Company and allocate for shareholder returns.

(viii) Average realized price is a supplementary financial measure calculated by dividing the different components of precious metal sales by the number of ounces sold. Management uses this measure to monitor its sales of precious metal ounces against the average market gold price.

Detailed reconciliations of the non-GAAP measures to IFRS measures for the years ended December 31, 2023, and December 31, 2022, can be found in the Company's MD&A for the year ended December 31, 2023, as available on the Company's website at www.andeanpm.com and on the System for Electronic Document Analysis and Retrieval+ (SEDAR+) at www.sedarplus.ca.

ITEM 2: CORPORATE STRUCTURE

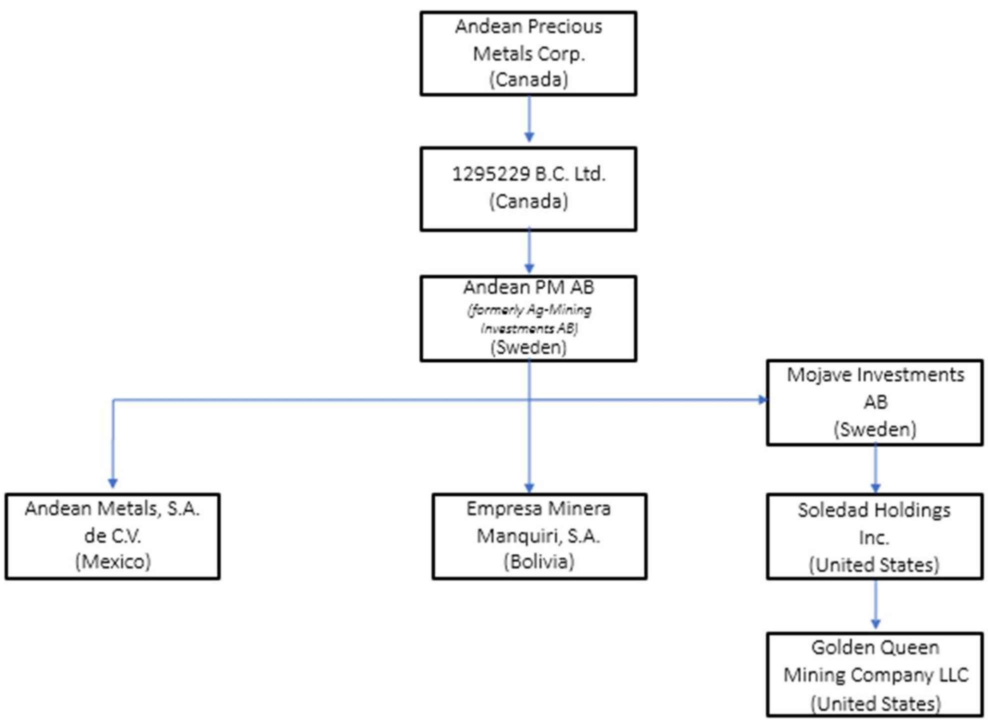
2.1 Name, Address and Incorporation

The Company was incorporated on October 23, 2018, under the name of "Buckhaven Capital Corp." pursuant to the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). On March 19, 2021, 1254688 B.C. Ltd., a company incorporated on June 25, 2020 under the laws of British Columbia, Canada ("**125 BC**") completed an amalgamation with 1271860 B.C. Ltd., a wholly owned subsidiary of Buckhaven Capital Corp. 125 BC acquired Buckhaven by way of reverse takeover (the "**Qualifying Transaction**"), as defined in the policies of the TSX Venture Exchange (the "**TSXV**"), and Buckhaven was renamed Andean Precious Metals Corp. On March 29, 2021, Andean Precious Metals Corp. commenced trading on the TSXV under the symbol APM. The Company was continued into the province of Ontario pursuant to the provisions of the *Business Corporations Act* (Ontario) on March 8, 2024.

The Company's principal business office is located at Monterrey, Mexico and the Company's registered office is located at 181 Bay Street, Toronto, ON M5J 2T3.

2.2 Intercorporate Relationships

The following diagram sets forth the Company's intercorporate relationships with its active subsidiaries including the jurisdiction of incorporation or organization and the Company's respective percentage ownership of each subsidiary, as of the date hereof.



ITEM 3: GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three-Year History

Below is a description of how the Company's business has developed over the last three completed financial years.

2023 and Subsequent

- The Company completed the acquisition of Golden Queen Mining Company LLC ("**Golden Queen**") and its Soledad Mountain Mine in November 2023, expanding operations to California, USA.

- The Company produced 4.7 million silver equivalent ounces (Ag Eq oz) from San Bartolomé operations. Golden Queen contributed 0.5 million Ag Eq oz post-acquisition from Soledad Mountain.

- For the year ended December 31, 2023, revenue was $125.3 million, $17.3 million higher than full year 2022. The increase of $17.3 million was primarily attributable to $13.3 million of incremental revenue from Golden Queen and $4.0 million from higher average realized silver prices offset by lower sales from San Bartolomé.

- Empresa Minera Manquiri S.A. ("**Manquiri**") fully transitioned to a material processing operation, focusing on high-grade, high-margin material. Also, Manquiri continued silver recovery project at the FDF, with production expected in first half of 2024.

- Manquiri signed a 24-month contract to purchase 170,000 tonnes of high-grade material from the Alta Vista project.

- Manquiri signed a 5-year agreement with Silver Elephant Mining Corp. to purchase up to 800,000 tonnes of oxide material from the Paca Silver Project.

- San Bartolomé achieved a significant safety milestone of approximately 572 days with no lost time injuries ("**LTI**"). Golden Queen LTI from November 24, 2023 to December 31, 2023 was zero and achieved a significant safety milestone of approximately 256 days with no LTI.

- The Company had zero reportable environmental incidents in 2023 and continued focus on water management.

- On December 14, 2023, the Company's Board of Directors appointed Michelle Ashby as an independent director, effective January 2, 2024. Currently the CEO & Founder of ACE LLC, a company that educates and trains women to attain corporate board positions.

- Pursuant to the Normal Course Issuer Bid ("**NCIB**"), since the program began in 2022, the Company repurchased and cancelled a total of 3,160,100 shares in 2023.The average purchase price was C$0.79 per share, totaling $1.9 million (C$2.5 million). On December 21, 2023, the TSXV approved the renewal of the NCIB, to purchase up to 7,833,291 of its outstanding common shares, representing up to 5% of the 156,665,833 issued and outstanding Shares as at December 4, 2023, expiring on the earlier of December 20, 2024 and the date on which the Company has acquired the maximum number of common shares allowable under the NCIB or the date on which the Company otherwise decides not to make any further repurchases under the NCIB.

- The Company had total liquid assets of $72.8 million as at December 31, 2023, including cash of $64.9 million, accounts receivable of $0.9 million, VAT certificates of $1.8 million and $5.2 million of marketable securities.

- The Company continued development of Environmental, Social, and Governance (ESG) policies, achieving certifications such as the Responsible Minerals Initiative (RMI) and ISO 14001:2015

- Effective April 1, 2023, the name of the Company wholly owned subsidiary in Sweden, AG Mining Investments AB, was changed to Andean PM AB. Andean AB corporate office activities were expanded to provide more management and administrative oversight for all the operations of the Company.

- A Preliminary Feasibility Study Technical Report for San Bartolomé Bolivia, which was filed on SEDAR+ on February 16, 2024, included an updated mineral resource and reserve estimate ("MR&RE) for its San Bartolomé operations: San Bartolomé's life of operation is 4.6 years based on a recoverable proven and probable reserve of 11.95 Moz with an average grade of 93 g/t Ag.

- A Feasibility Study Update Technical Report on the Soledad Mountain Heap Leach Project was filed on SEDAR+ on January 31, 2024. Golden Queen's new life of mine average annual production is expected to include up to 65,000 oz of gold and 466,000 oz of silver for 5 years.

- On February 28, 2024 the Company through its wholly-owned subsidiary, Andean PM, AB closed an agreement for a 12-month $25 million renewable secured revolving LOC with Banco Santander International. The LOC provides for $25 million to be used for general corporate purposes and is secured by short-term investments and cash equivalents. It bears interest on any outstanding borrowings at the 3-month SOFR plus 90 basis points.

2022

- For the year ended December 31, 2022, at San Bartolomé, Manquiri produced 5.0 million silver equivalent ounces. Material mined and purchased head grade increased from 92 g/t and 201 g/t in Q4 2021 and full year 2021 to 96 g/t and 241 g/t in Q4 and full year 2022, respectively.

- Manquiri completed 5,588.7 meters of core drilling in 10 holes in 2022, with exploration activities focusing on the San Pablo gold exploration property.

- The Company continued to evaluate processing options for recovering silver and tin from the FDF and Dry Stack Tailings (DSF).

- During Q3 2022, Andean acquired 200 hectares of additional exploration rights on the Jiwaki II area, adjacent to the Company's San Pablo gold exploration property.

- Manquiri's all-in sustaining costs (AISC) increased to $21.06 per silver ounce for the full year 2022, compared to $18.17 in 2021, largely due to inflationary effects and lower production volumes.

- The Company recorded revenue for the full year 2022 of $108.1 million. A decrease of 25% or $36.1 million when compared to full year 2021.

- The Company ended 2022 with total liquidity of $90.2 million, including $80.7 million in cash, $5.3 million of marketable securities and no debt.

- There were no reportable environmental incidents in 2022. The Company progressed with the implementation of international ESG standards, particularly responsible mining and tailings management.

- On July 28, 2022, Andean's Common Shares commenced trading on the OTCQX Venture Market under the symbol "ANPMF".

- The Company initiated a NCIB on October 4, 2022, after receiving approval from the TSX Venture Exchange (TSX-V). The NCIB allowed the company to repurchase up to 5% of its total outstanding shares as of September 15, 2022. By December 31, 2022, the company had repurchased 322,000 shares for $0.2 million (C$0.3 million).

- During Q4 2022 the Company relocated the majority of its corporate function to its office in Monterrey, Mexico and made changes to the senior management team. Simon Griffiths, President and CEO, was replaced by Alberto Morales, Founder and Executive Chairman of Andean. Juan Carlos Sandoval assumed the position of CFO from Jeff Chan and Segun Odunuga assumed the position of Executive Vice President, Finance.

- The Company's Board of Directors appointed Yohan Bouchard as an independent director, effective December 1, 2022. Grant Angwin was appointed as the first Lead Independent Director of the Company.

2021

Operations

- For the year ended December 31, 2021, Manquiri produced and sold 5.8 million silver equivalent ounces at an all-in sustaining cost of $18.17 per ounce. During the year, Manquiri mined 1.8 million tonnes with an average silver grade of 92 g/t and purchased 0.5 million tonnes with an average silver grade of 201 g/t. Approximately 1.7 million tonnes was processed through the San Bartolomé plant during the year. The average silver head grade realized decreased to 115 g/t primarily driven by lower grades of mined and purchased material during 2021. Silver recoveries declined to 84%, driven primarily by lower grades of mill feed. Manquiri's processing plant throughput increased by 16% to 1.7 million tonnes, up from 1.5 million tonnes in 2020.

- The Company had a free cash flow of $30.0 million, compared to $35.3 million in 2020.

- Manquiri mined ore primarily from its Pallacos, El Asiento and Monserrat mineral resource under production agreements with the state-owned mining company, Corporación Minera de Bolivia ("**COMIBOL**"). Production was also sourced from Cachi Laguna, under contract with a privately held mining company as well as a number of other cooperatives around San Bartolomé.

- The Company commenced exploration activities on its 100% owned San Pablo and Rio Blanco properties in February 2021. At San Pablo, a diamond drilling program began with an initial phase I campaign of 3,580 metres completed in May 2021. Multiple gold bearing zones were encountered, and the Company began geophysical studies with Quantec Geoscience's Titan 24 DCIP and magnetotelluric technology. At Rio Blanco, mapping and trench sampling works were completed, while a drilling program began in July 2021, with 2,150 metres of drilling completed.

- On December 14, 2021, Andean confirmed the launch of a life-of-mine expansion study at the Company's flagship San Bartolomé Mine in Bolivia: to be built on a foundation of silver production, while incorporating tin production at San Bartolomé.

- Manquiri completed three years without a lost time incident (LTI); 98% of employees received at least one COVID-19 vaccine dose.

- The Company ended the year with $87.3 million in cash and no debt.

- On February 18, 2021, 125 BC completed a brokered private placement of an aggregate of 13,657,000 125 BC Subscription Receipts at an issue price of C$1.00 per 125 BC Subscription Receipt for aggregate gross proceeds of C$13,657,000.

- Immediately prior to the closing of the Qualifying Transaction, the Company consolidated its then outstanding common shares ("**Common Shares**") on a 1.5-for-1 basis, and each 125 BC Subscription Receipt was automatically converted into one (1) common share of 125 BC.

- On March 19, 2021, 125 BC acquired the Company by way of a three-cornered amalgamation whereby Subco amalgamated with 125 BC, constituting the Qualifying Transaction. The post-amalgamated company continued as a wholly owned subsidiary of the Company under the name 1295229 B.C. Ltd. On closing of the Qualifying Transaction, the Company changed its name from Buckhaven Capital Corp. to "Andean Precious Metals Corp."

- On March 29, 2021, the Company's Common Shares commenced trading on the TSXV under the symbol "APM".

- On September 21, 2021, the Company's Common Shares began trading on the OTCQB® Venture Market under the symbol "ANPMF".

- Effective September 21, 2021, Simon Griffiths was appointed as the Company's new President and Chief Executive Officer, replacing Luis da Silva. Mr. Griffiths previously served as the Company's Chief Operating Officer.

3.2 Significant acquisitions.

Golden Queen acquisition.

On November 24, 2023 (the "**Acquisition Date**"), through its wholly owned subsidiary Soledad Holdings Inc. ("**Soledad**"), the Company completed the acquisition of a 100% interest in Golden Queen from Auvergne Umbrella LLC. Golden Queen's principal asset is the Soledad Mountain mine and heap leach operation located in Kern County, California, USA, which has been in operation since mid-2016 and has produced more than 340,000 ounces of gold and approximately 3.5 million ounces of silver. See "*Material Contracts – Membership Interest Purchase Agreement*".

ITEM 4: DESCRIPTION OF THE BUSINESS

4.1 General Description

(i) Business of the Company

Andean is a growing precious metals producer focused on expanding into top-tier jurisdictions in the Americas. The Company owns and operates the San Bartolomé processing facility in Potosí, Bolivia and the Soledad Mountain mine in Kern County, California, and is well-funded to act on future growth opportunities. Andean's leadership team is committed to creating value; fostering safe, sustainable and responsible operations; and achieving our ambition to be a multi-asset, mid-tier precious metals producer.

Andean is engaged in precious metal related activities including property acquisition, exploration, development, mineral extraction, and processing with operations located in Bolivia and the United States of America ("**USA**"). The Company also has established corporate offices in, Toronto, Canada, Stockholm, Sweden and Monterrey, Mexico. The Company is also focused on growing through acquisition as it pursues its vision to be mid-tier precious metals producer in the Americas.

The Company's operations consist of one mine site located in California, USA and an oxide processing facility located in Potosi, Bolivia.

(ii) Production

Through its wholly-owned subsidiary, Manquiri, the Company operates San Bartolomé, which has a design throughput of 1.8 million tonnes per year and is situated near the City of Potosi. San Bartolomé, the largest commercial oxide plant in Bolivia, produces silver doré bars. During Q4 2023, Manquiri came to an agreement with COMIBOL (the state-owned regulatory mining body) that Manquiri would suspend mining of its high cost low margin of the Santa Rita, Huacajchi and Antuco sectors (collectively known as “Pallacos”) to further advance the protection of the Cerro Rico in 2023, Manquiri signed contracts for approximately 1 million tonnes of oxide feedstock. The Company has fully transitioned away from mining its Pallacos. In 2024, the Company estimates that nearly 60% of the processed material will be purchased pursuant to long-term contract arrangements. The balance will come from cooperatives and artisanal miners as well as from the Company’s FDF.

Golden Queen, Andean’s wholly-owned subsidiary acquired on November 2023, utilizes conventional open pit mining methods (blasting and hauling), a 11,000 tpd cyanide heap leach and a Merrill-Crowe processing facility to recover gold and silver from crushed and agglomerated ore. The mine processes an average of approximately 4.0 million tonnes of ore per year.

For the year ended December 31, 2023, the Company produced 4.7 million silver equivalent ounces (“**Ag Eq oz**”), excluding Golden Queen’s production of 0.5 million Ag Eq oz or 6,528 Au Eq oz from the Acquisition Date to December 31, 2023. Production for the full year of 2022 was 5.0 million Ag Eq oz.

(iii) Specialized Skill & Knowledge

Most aspects of the Company’s business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, exploration, development, technology, financing and accounting. The Company has executive officers and employees with extensive experience in geology, exploration and mine development in Canada, United States and other parts of North and South America. As well, the Company’s executive officers, directors and employees have significant experience in mining, processing technologies, international finance, mergers and acquisitions and accounting. They provide a strong foundation of advanced skills and knowledge and specialized mineral exploration experience, complemented by their demonstrated ability to succeed in the management and administration of a mining company. See “*Risk Factors – Dependence on Management and Key Personnel*”.

(iv) Competitive Conditions

Competition in the mineral exploration industry is intense. The Company competes with other companies and individuals in the search for and the acquisition of attractive mineral properties and land packages, as well as for the recruitment and retention of qualified employees and consultants. See “*Risk Factors – Competition*” and “*Risk Factors – Dependence on Management and Key Personnel*”.

(v) Components

The Company imports most of its reagents such as cyanide and zinc powder from South America, Europe and Asia. The prices are based on international market rates. The Company, with a view to manage market fluctuations and availability, maintains a three-month reserve at its storage facilities. The remainder of the raw materials are available locally without issue.

(vi) Intangible Properties

The Company’s business is not materially affected by intangibles such as licences, patents and trademarks.

(vii) Business Cycles

Mining is a cyclical industry and commodity prices fluctuate according to global economic trends and conditions. See *“Risk Factors – Commodity Prices and Availability”.*

(ix) Changes to Contracts

Other than as disclosed in this AIF, the Company is not aware of any aspect of its business which may be affected in the current financial year by renegotiation or termination of contracts.

(x) Environmental Protection

The Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations govern exploration, development, tenure, production, taxes, occupational health, waste disposal, protection and remediation of the environment, reclamation obligations, mine safety, toxic substances, and other matters. The regulations mandate the maintenance of air and water quality standards and also set forth limitations on the general handling, transportation, storage and disposal of solid and hazardous waste. The costs associated with compliance with such laws and regulations may cause substantial delays and require significant cash and financial expenditure, which may have a material adverse effect on the Company or the development of its mineral properties. Environmental legislation is evolving and in the future, may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees.

There were no reportable environmental incidents during 2023. During full year 2023, the Company received the following certifications: the Responsible Minerals Initiative, the Environmental Management System Standard ISO 14001:2015, and the ISO 45001:2018 Occupational Health and Safety Management Systems and is committed to working to best-in-class ESG standards and is implementing several community programs, while continuing to develop a broader strategy and policies. The cost of compliance with changes in government regulations or environmental protection requirements imposed in the future has the potential to increase the cost of the Company's operations and the Company is unable to accurately predict whether environmental protections will significantly impact the Company in future years. See "*Risk Factors - Nature and Climatic Condition Risk".*

(xi) Employees

As at December 31, 2023, the Company had approximately 23 employees and full time consultants in its corporate offices in Toronto, Canada, Stockholm, Sweden and Monterrey, Mexico and employed through its Bolivia and California subsidiaries over 476 full and part-time employees. Consultants and contractors are also retained from time to time to assist with or conduct specific corporate activities, development and exploration programs.

(xii) Foreign Operations

The majority of the Company's corporate function is conducted out of its corporate offices in Toronto, Canada, Stockholm, Sweden and Monterrey, Mexico. The Company's material mineral projects are located in Bolivia and USA and its operations are substantially carried out in those countries. See "*Risk Factors - Foreign Operations and Political Risk*" and "*Risk Factors - Foreign Subsidiaries*".

Bankruptcy and Similar Procedures

Andean is not subject to any bankruptcy, or any receivership or similar proceedings against it or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by it or any of its subsidiaries within the three most recently completed financial years or the current financial year.

Reorganizations

Other than with respect to the Qualifying Transaction, the Company nor any of its subsidiaries has undergone any material reorganization with the within the three most recently completed financial years or the current financial year.

Social or Environmental Policies

Andean's goal is sustainable use of resources, biodiversity safeguarding, and environmental protection. We seek good environmental management for present and future generations.

The board of directors of the Company (the "**Board**") has formed a Health, Safety, Environment, Social and Sustainability Committee, to assist the Board in fulfilling its oversight responsibilities relating to monitoring sustainable development practices, and the development and implementation of any environmental, health and safety policies of Andean.

4.2 Risk Factors

An investment in securities of the Company involves a significant degree of risk and must be considered highly speculative due to the nature of the Company's business and the present stage of exploration and development of its mineral property interests. There are widespread risks associated with any form of business and specific risks associated with Andean's business and its involvement in the mining industry. There are a number of risks, including those listed below, that may have a material and adverse impact on the future operating results and financial performance of Andean and could cause actual events to differ materially from those described in forward-looking statements related to the Company.

Mining is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failed production and exploration efforts but also from finding mineral deposits, which, though present, are insufficient in quantity or quality to return a profit from production. Shareholders of Andean may lose their entire investment.

The following are certain risk factors relating to the business of Andean, which investors should carefully consider when making an investment decision concerning Andean. These risks and uncertainties are not the only ones facing Andean. Additional risks and uncertainties not currently known to Andean, or that Andean currently deems immaterial, may also impair the operations of Andean. The markets in which Andean competes and proposes to compete are very competitive and change rapidly. New risks may emerge from time to time. If any such risks actually occur, the financial condition, liquidity and results of operations of Andean could be materially adversely affected and the ability of Andean to implement its growth plans could be adversely affected.

All references to "Andean" or the "Company" in this section entitled "Risk Factors" include Andean, its subsidiaries and any joint ventures or strategic alliances the Company participates in, unless the context otherwise requires.

The Company's activities expose it to a variety of financial market risks, credit risks and liquidity risks, as described in the Company's financial statements.

The Company also identified a number of other risks and uncertainties:

(i) Commodity Prices and Availability

Andean's profitability and long-term viability depend, in large part, upon the market prices of metals that may be produced from its properties and processed at its plant, primarily silver. Market price fluctuations of this commodity could adversely affect profitability of Andean operations and lead to impairments of mineral properties and inventory. Metal prices fluctuate widely and are affected by numerous factors beyond Andean's control, including:

- global and regional supply and demand for industrial products containing metals generally;
- changes in global or regional investment or consumption patterns;

- increased production due to new mine developments and improved mining and production methods;
- decreased production due to mine closures;
- interest rates and interest rate expectation;
- expectations with respect to the rate of inflation or deflation;
- availability and costs of metal substitutes;
- global or regional political or economic conditions; and
- sales by central banks, holders, speculators and other producers of metals in response to any of the above factors.

There can be no assurance that metal prices will remain at current levels or that such prices will improve. A decrease in the market prices could adversely affect the profitability of Andean's existing mines, processing plant and projects as well as its ability to finance the exploration and development of additional properties, which would have a material adverse effect on Andean's results of operations, cash flows and financial position. A decline in metal prices may require Andean to write-down mineral reserve and mineral resource estimates by removing ores from mineral reserves that would not be economically processed at lower metal prices and revise life-of-mine plans, which could result in material write-downs of investments in mining properties. Any of these factors could result in a material adverse effect on Andean's results of operations, cash flows and financial position. Further, if revenue from metal sales declines, Andean may experience liquidity difficulties. Its cash flow from mining and ore processing operations may be insufficient to meet its operating needs, and as a result Andean could be forced to discontinue production and could lose its interest in, or be forced to sell, some or all of its properties.

In addition to adversely affecting mineral reserve and mineral resource estimates and Andean's results of operations, cash flows and financial position, declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and/or may interrupt operations until the reassessment can be completed, which may have a material adverse effect on Andean's results of operations, cash flows and financial position. In addition, lower metal prices may require Andean to reduce funds available for exploration with the result that the depleted reserves may not be replaced.

The profitability of Andean's operations is dependent upon the cost and availability of critical consumables supplies, which are consumed or otherwise used in connection with Andean's operations and projects, including, but not limited to, cyanide, lime, zinc, borax and diatomaceous earth. Prices of such consumables supplies also fluctuate widely and are affected by numerous factors beyond the control of the Company. Further, as many of Andean's mines are in remote locations and energy is generally a limited resource, Andean faces the risk that there may not be sufficient energy available to carry out mining activities efficiently or that certain sources of energy may not be available.

(ii) Supply and Quality of Purchased Material

Andean's operations include the purchase of materials from local mining cooperatives as well as through the Company's contract with RALP, which is then used to supply the production of its San Bartolomé plant. The production and revenues of the Company depend on the availability of the mineral material being supplied from these suppliers. To mitigate this risk, the Company maintains a department to evaluate purchasing opportunities throughout Bolivia.

The Company does not have control over the volume of mineralized material and material grade purchased from its suppliers. The variability of volume of mineralized material and material grade can have an impact over the volume of metals produced and sold. The Company mitigates this risk by working with a minimum cut-off purchase grade to ensure best efficiency and profitability of its plant operations.

(iii) Cost Estimates May Not be Accurate

The Company prepares budgets and estimates of cash costs and capital costs for its operations and its main costs relate to material costs, workforce and contractor costs, and energy costs. As a result of the substantial expenditures involved in the development of mineral projects and the fluctuation of costs over time, development projects may be prone to material cost overruns. The Company's actual costs may vary from estimates for a variety of reasons, including short-term operating factors; revisions to development plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability and unexpected labour issues, labour shortages, strikes or community blockades and quality of existing infrastructure being less than expected. Many of these factors are beyond our control and the inaccuracy of any estimates may result in the Company requiring additional capital and time to execute on its development and exploration plans.

(iv) Economic Conditions for Mining

Global financial markets are experiencing extreme volatility as a result of the Ukraine-Russia conflict, Israel-Palestine conflict, inflation and interest rate increases. As the conflicts in Ukraine and the Israel-Palestine continue to develop, the Company's business could be materially adversely affected by commodity price changes and supply-chain disruptions. Oil and gas prices have increased rapidly due to the ongoing conflict and the escalating sanctions threatened or imposed by several nations against Russia and Russian oil and gas exports have added to global uncertainty. Events in global financial markets, and the volatility of global financial conditions, will continue to have an impact on the global economy. Many industries, including the mining sector, are impacted by market conditions. Some of the key impacts of financial market turmoil include devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. Financial institutions and large corporations may be forced into bankruptcy or need to be rescued by government authorities. Access to financing may also be negatively impacted by future liquidity crises throughout the world. These factors may impact the Company's ability to obtain equity or debt financing and, where available, to obtain such financing on terms favorable to the Company. Increased levels of volatility and market turmoil could have an adverse impact on the Company's operations and planned growth and the trading price of the securities of the Company may be adversely affected. The Company assesses the carrying values of its mineral properties on a quarterly basis.

(v) Substantial Volatility of Share Price

The market prices for the securities of mining companies, including the Company's securities, have historically been highly volatile. The market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of any particular company. In addition, because of the nature of the Company's business, certain factors such as announcements and the public's reaction, the Company's operating performance and the performance of competitors and other similar companies, fluctuations in the market prices of resources, government regulations, changes in earnings estimates or recommendations by research analysts who track the Company's securities or securities of other companies in the resource sector, general market conditions, announcements relating to litigation, acquisitions or sales, equity financings by the Company, the arrival or departure of key personnel and the risk factors described in this AIF can have an adverse impact on the market price of the Company's common shares.

Any negative change in the public's perception of the Company's prospects could cause the price of the Company's securities, including the price of its common shares, to decrease dramatically. Furthermore, any negative change in the public's perception of the prospects of mining companies in general could depress the price of the Company's securities, including the price of its common shares, regardless of the Company's results. Following declines in the market price of a company's securities, securities class-action litigation is often instituted. Litigation of this type, if instituted, could result in substantial costs and a diversion of management's attention and resources.

(vi) Acquisition Strategy

As part of Andean's business strategy, it has sought and will continue to seek new exploration, mining and development opportunities in the mining industry. In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favourable financing terms. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

Any future acquisitions would be accompanied by risks, such as a significant decline in the relevant metal price after the Company commits to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of its ongoing business; the inability of management to realize anticipated synergies and maximize its financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. The attention required from the Company's management team may detract from the Company's day-to-day operations. There can be no assurance that any business or assets acquired in the future will prove to be profitable, that the Company will be able to integrate the acquired businesses or assets successfully or that the Company will identify all potential liabilities during the course of due diligence. Any of these factors could have a material adverse effect on its business, expansion, results of operations and financial condition.

Future acquisitions by the Company may be completed through the issuance of equity, in which case the interests of shareholders in the net assets of the Company may be diluted.

(vii) Exploration, Development and Operating Risks

Mining operations are inherently dangerous and generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of silver and gold, including, without limitation, unusual and unexpected geologic formations, seismic activity, flooding, pit wall failure and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or loss of life, damage to property and environmental damage, all of which may result in possible legal liability. Although the Company expects that adequate precautions to minimize risk will be taken, mining operations are subject to hazards such as fire, rock falls, geomechanical issues, equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. The occurrence of any of these events could result in a prolonged interruption of the Company's operations that would have a material adverse effect on its business, financial condition, results of operations and prospects.

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices that are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

(viii) Health, Safety and Environmental Risks and Hazards

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death and/or material damage to the environment and Company assets. The impact of such accidents could affect the profitability of the operations, potentially result in fines, penalties or other prosecutions, cause an interruption to operations, lead to a loss of licenses, affect the reputation of Andean and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of Andean as an employer.

All phases of Andean's operations are subject to environmental and safety regulations in the jurisdictions in which it operates. These regulations mandate, among other things, worker safety, water quality, water management, land reclamation, waste disposal (including the generation, transportation, storage and disposal of hazardous waste), mine development and protection of endangered and other special status species. Failure to comply with applicable health, safety and environmental laws and regulations could result in injunctions, fines, suspension or cancellation of permits and approvals and could include other penalties including negligence claims or criminal prosecution. Health, safety and environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that Andean has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety permits. In addition, no assurances can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could have an adverse effect on Andean's financial position and operations. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations, including Andean, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent Andean from proceeding with the development of a project or the operation or further development of a mine, and any non-compliance therewith may adversely affect Andean's business, financial condition and results of operations.

Government environmental approvals and permits are currently, or may in the future be, required in connection with Andean's operations. To the extent such approvals are required and not obtained, Andean may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Andean may also be held financially responsible for remediation of contamination at current or former sites, or at third party sites. Andean could also be held responsible for exposure to hazardous substances. The costs associated with such instances and liabilities could be significant.

Andean may be required to submit, for government approval, a reclamation or closure plan for each of its mining/project sites. The reclamation plan establishes Andean's obligation to reclaim property after certain mining or exploration activities have been carried out by Andean. In some jurisdictions, bonds or other forms of financial assurances are required as security to ensure performance of the required reclamation activities. Andean may incur significant reclamation costs which may materially exceed the provisions Andean has made for such reclamation. In addition, the potential for additional regulatory requirements relating to reclamation or additional reclamation activities may have a material adverse effect on Andean's financial condition, liquidity or results of operations. When a previously unrecognized reclamation liability becomes known or a previously estimated cost is increased, the amount of that liability or additional cost may be expensed, which may materially reduce net income in that period.

The extraction process for silver and gold can produce tailings, which are the sand-like materials which remain from the extraction process. Tailings are stored in engineered facilities, which are designed, constructed, operated and closed in conformance with local requirements and best practices.

In 2008, a three-stage tailings impoundment was commissioned at Manquiri under previous management, which serves to store both dry and wet tailings from the mill. The stages are fines disposal, dry-stack facility, and water recovery operations, and are located approximately two kilometers to the southeast of the mill operations. The fines disposal facility is a zero-discharge facility which is designed to also hold storm water and leads to a separate water impoundment for recycling to the mill as needed. Both the fines disposal facility and dry-stack facilities are fully lined. The tailings facility is designed to maximize water efficiency and minimize long-term environmental impacts by creating a highly concentrated tailing. The low level of water concentrated in the tailings provides structural stability, which is also a critical component to site closure.

Should a breach of these facilities occur due to extreme weather, seismic event, or other incident, Andean could suffer a material financial impact on its operations and financial condition, including the potential for criminal and financial liability. In order to mitigate and substantially reduce these risks, the Company utilizes specialist tailings dam consultant Knight Piesold to oversee the design, construction methodology and monitoring.

Andean actively engages with local communities to provide timely information about the operations and participates in a variety of activities to contribute to the wellbeing of local communities. Health, safety, environmental or other incidents, real or perceived, could cause community unrest that manifest into protests, road blockages, or other civil disobedience activities that could materially disrupt Andean's operations.

The operations of Andean are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although Andean believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, new rules and regulations may be enacted or existing rules and regulations may be applied in a manner that could limit or curtail production or development of Andean's properties. Amendments to current laws and regulations governing the operations and activities of Andean or more stringent implementation thereof could have a material adverse effect on Andean's business, financial condition and results of operations.

(ix) Public Health Crises

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics, pandemics or other health crises, such as the outbreak of the COVID-19. The international response to the spread of COVID-19 led to significant restrictions on travel, temporary business closures, quarantines, stay-at-home orders, global stock market volatility, disruptions in supply chains, a reduction in consumer activity and increased volatility of commodity prices. Such public health crises can result in operating, supply chain and project delays and disruptions, unavailability of parts and supplies, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The Company may experience business interruptions, including suspended or reduced operations at the Company's operations and at third-party processing facilities, expenses and delays, relating to such events outside of the Company's control, which could have a material adverse impact on its business, operating results, financial condition and the market for its securities. In particular, Bolivia, in which the Company operates, may not have sufficient public infrastructure to adequately respond or efficiently and quickly recover from such events, which could have a materially adverse effect on the Company's operations. The Company's exposure to such public health crises also includes risks to employee health and safety. The Company's operations are located in a remote and isolated area and represent a concentration of personnel working and residing in close proximity to one another. Should an employee or visitor become infected with a serious illness that has the potential to spread rapidly, this could place our workforce and ongoing operations at risk.

(x) Nature and Climatic Condition Risk

Andean and the mining industry as a whole face geotechnical challenges, which could adversely impact Andean's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, droughts, pit wall failures and rock fragility may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of Andean's control, such as seismic activity, severe weather and considerable rainfall, which may lead to periodic floods, mudslides and wall instability, which could potentially result in slippage of material or a tailings dam failure. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss ore and other impacts including financial liability, which could cause one or more of Andean's projects to be less profitable than currently anticipated and could result in a material adverse effect on Andean's results of operations and financial position.

Furthermore, the occurrence of physical climate change events may result in substantial costs to respond to the event and/or recover from the event, and to prevent recurrent damage, through either the modification of, or addition to, existing infrastructure at our operations. The scientific community has predicted an increase, over time, in the frequency and severity of extraordinary or catastrophic natural phenomena as a result of climate change. Andean can provide no assurance that it will be able to predict, respond to, measure, monitor or manage the risks posed as a result.

In addition, as climate change is increasingly perceived as an international and community concern, stakeholders may increase demands for emissions reductions and call-upon mining companies to better manage their consumption of climate-relevant resources. Physical climate change events, and the trend toward more stringent regulations aimed at reducing the effects of climate change, could impact Andean's decisions to pursue future opportunities, or maintain existing operations, which could have an adverse effect on its business and future operations. Andean can provide no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on its operations and profitability.

(xi) Uncertainty in the Estimation of Mineral Reserves and Mineral Resources

To extend the lives of its mines and projects, ensure the continued operation of the business and realize its growth strategy, it is essential that Andean continues to realize its existing identified mineral reserves, convert mineral resources into mineral reserves, increase its mineral resource base by adding new mineral resources from areas of identified mineralized potential, and/or undertake successful exploration or acquire new mineral resources.

No assurance can be given that the anticipated tonnages and grades in respect of mineral reserves and mineral resources contained in this AIF will be achieved, that the indicated level of recovery will be realized or that mineral reserves will be mined or processed profitably. Actual mineral reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond Andean's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that silver recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of its mineral reserve estimates from time to time or may render Andean's mineral reserves uneconomic to exploit. Mineral reserve data is not indicative of future results of operations. If Andean's actual mineral reserves and mineral resources are less than current estimates or if Andean fails to develop its mineral resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of mineral reserves and mineral resources occurs from time to time and they may change depending on further geological interpretation, drilling results and metal prices. The category of inferred mineral resource is often the least reliable mineral resource category and is subject to the most variability. Andean regularly evaluates its mineral resources and it often determines the merits of increasing the reliability of its overall mineral resources.

(xii) Replacement of Depleted Mineral Reserves

Given that mines have limited lives based on proven mineral reserves and probable mineral reserves, Andean must continually replace and expand its mineral reserves at its mines. Andean's ability to maintain or increase its annual production will be dependent in part on its ability to bring new Mineral Reserves into production.

(xiii) Uncertainty Relating to Mineral Resources

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven mineral reserves and probable mineral reserves as a result of continued exploration.

(xiv) Uncertainty Relating to Future Production Estimates

Andean prepares estimates and projections of future production for its existing and future mine operations. Any such information is forward-looking and no assurance can be given that such estimates will be achieved. These estimates are based on existing mine plans and other assumptions which change from time to time, including: mineral reserve and mineral resource estimates, including estimates for Cachi Laguna; the availability, accessibility, sufficiency and quality of material; the availability, accessibility, sufficiency and quality of material purchased from local Bolivian miners and RALP; Andean's costs of production; Andean's costs of purchased material, including material purchased from RALP; Andean's ability to sustain and increase production levels; the sufficiency of Andean's infrastructure; the performance of Andean's workforce and equipment, Andean's ability to maintain and obtain mining interests and permits; and Andean's compliance with existing and future laws and regulations. Andean's actual production may vary from estimates for a variety of reasons, including: actual material mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; actual material purchased varying from estimates of grade, tonnage and metallurgical and other characteristics; revisions to mine plans; unusual or unexpected material body formations; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and seismic activity; and unexpected labour shortages, strikes, local community opposition or blockades. Failure to achieve the estimated forecasts could have an adverse impact on Andean's profitability, future cash flows, earnings, results of operations and financial condition.

(xv) Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Andean's operations, financial condition and results of operations.

(xvi) Permitting

Andean's operations are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of permits for Andean's existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, Andean must receive permits from appropriate governmental authorities. There can be no assurance that Andean will continue to hold all permits necessary to develop or continue operating at any particular property. Any of these factors could have a material adverse effect on Andean's results of operations and financial position.

(xvii) Insurance and Uninsured Risks

Andean's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, catastrophic equipment failures or unavailability of materials and equipment, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Andean's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Andean's insurance will not cover all the potential risks associated with Andean's operations. Even if available, Andean may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Andean or to other companies in the mining industry on acceptable terms. Andean might also become subject to liability for pollution or other hazards that may not be insured against or that Andean may elect not to insure against because of premium costs or other reasons. Losses from these events could cause Andean to incur significant costs that could have a material adverse effect upon its financial performance and results of operations. Should Andean be unable to fully fund the cost of remedying an environmental problem, Andean might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which may have a material adverse effect. Andean may suffer a material adverse effect on its business, results of operations, cash flows and financial position if it incurs a material loss related to any significant event that is not covered, or adequately covered, by its insurance policies.

Andean may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs or for other reasons. Furthermore, Andean may incur liability to third parties in excess of any insurance coverage or for which Andean is not insured arising from any damage or injury caused by Andean's operations, which may have a material adverse effect on Andean's financial position.

(xviii) Foreign Operations and Political Risk

Andean holds mining and exploration properties in Bolivia, exposing it to the socioeconomic conditions as well as the laws governing the mining industry in this country. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; violent crime; extreme fluctuations in currency exchange rates; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require Andean to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in any of the jurisdictions in which Andean operates may adversely affect Andean's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of parts and supplies, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. In addition, changes in government laws and regulations, including taxation, royalties, the repatriation of profits, restrictions on production, export controls, changes in taxation policies, environmental and ecological compliance, expropriation of property and shifts in the political stability of the country, could adversely affect Andean's exploration, development and production initiatives in these countries.

In Bolivia, a new constitution, enacted in 2009, confirmed the concept that all natural resources in Bolivia belong to the Bolivian people. On May 28, 2014, Law 535 of Mining and Metallurgy (the "New Mining Law") was enacted. Among other things, the New Mining Law established a new Bolivian mining authority and set out a number of new economic and operational requirements relating to State participation. The New Mining Law did not make any substantial changes to the tax and royalty regimes related to mining activities. Further, the New Mining Law provided that all pre-existing contracts, which at San Bartolomé consisted of various joint venture and lease agreements, were to migrate to one of several new forms of agreement with COMIBOL within a prescribed period of time. As of September 2020, all contracts at the San Bartolomé project had been migrated successfully. As San Bartolomé's contracts were considered to be pre-existing contracts, required terms for new mining contracts resulting from the New Mining Law did not apply to San Bartolomé's contracts.

Additionally, the Bolivian government issued Supreme Decree 1802 on December 20, 2013, which provides that when Bolivian annual gross domestic product ("GDP") grows more than 4.5%, an extra month of salary must be paid to all salaried workers in Bolivia, including the private sector, in respect of the month of December (the "Esfuerzo por Bolivia"). In 2021, Bolivian GDP grew less than 4.5% and, therefore, the Ministry of Labor did not apply the Esfuerzo por Bolivia rule.

There is, however, no guarantee that Bolivian governmental actions, including possible expropriation or additional changes in the law will not impact Andean's involvement in the San Bartolomé Operations in an adverse way and such actions could have a material adverse effect on us and our business.

Andean continues to monitor developments and policies in all the jurisdictions in which it operates and the potential impact such developments and policies may have on its operations; however they cannot be accurately predicted and could have an adverse effect on Andean's operations or profitability.

(xix) Compliance with Anti-Corruption Laws

Andean is subject to various anti-corruption and anti-bribery laws and regulations including but not limited to the Canadian Corruption of Foreign Public Officials Act and the Extractive Sector Transparency Measure Act ("ESTMA"), as well as similar laws in the countries in which Andean conducts business. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. ESTMA, which became effective June 1, 2015, requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments.

In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such anti-corruption and anti-bribery laws, resulting in greater scrutiny and punishment of companies found in violation of such laws. Failure to comply with the applicable legislation and other similar foreign laws could expose Andean and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect Andean's business, financial condition and results of operations, as well as have an adverse effect on the market price of Andean's Shares. Andean has instituted policies designed to facilitate compliance with such requirements that apply to all employees, consultants, contractors and other agents, including a code of business conduct and ethics and a whistleblower policy, an anti-bribery and anti-corruption policy, as well as mandatory training. However, there can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring Andean's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption and anti-bribery laws.

(xx) Increase in Production Costs

Changes in Andean's production costs could have a major impact on its profitability. Its main production expenses are personnel and contractor costs, materials, including purchased ore, and energy. Changes in costs of Andean's mining and processing operations could occur as a result of unforeseen events, including international and local economic and political events, a change in commodity prices, increased costs (including purchased ore costs, oil, steel and diesel) and scarcity of labour, and could result in changes in profitability or mineral reserve estimates. Many of these factors may be beyond Andean's control.

Andean relies on third party suppliers for a number of raw input materials. Any material increase in the cost of raw materials, or the inability by Andean to source third party suppliers for the supply of its raw materials, could have a material adverse effect on Andean's results of operations or financial condition. Andean prepares estimates of future cash costs and capital costs for its operations and projects. There is no assurance that actual costs will not exceed such estimates. Exceeding cost estimates could have an adverse impact on Andean's future results of operations or financial condition.

(xxi) Competition

The mining industry is intensely competitive in all its phases and Andean competes with many companies possessing greater financial and technical resources than itself. Competition in the precious metals mining industry is primarily for: mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but also conduct refining and marketing operations on a global basis. Such competition may result in Andean being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect Andean's prospects for mineral exploration and success in the future.

(xxii) Compliance Costs

Andean is subject to various laws and regulations. The costs associated with compliance with such laws and regulations may cause substantial delays and require significant cash and financial expenditure, which may have a material adverse effect on the Company or the development of its mineral properties. Although Andean believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of Andean's properties. Amendments to current laws and regulations governing the operations and activities of Andean or more stringent implementation thereof could have a material adverse effect on Andean's business, financial condition and results of operations.

The officers and directors of the Company rely, to a great extent, on the Company's legal counsel and local consultants and advisors in respect of legal, environmental compliance, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations. Despite these resources, the Company may fail to comply with a legal or regulatory requirement, which may lead to the revocation of certain rights or to penalties or fees and in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the operational activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Any of the foregoing may have a material adverse effect on the Company or the development of its mineral properties.

(xxiii) Community Relations

Andean's relationships with the communities in which it operates and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. The evolving expectations related to human rights, indigenous rights, and environmental protection may result in opposition to Andean's current and future operations or further development or new development of Andean's projects and mines. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against Andean's activities, and may have a negative impact on Andean's reputation and operations.

Opposition by any of the aforementioned groups to Andean's operations may require modification of, or preclude the operation or development of, Andean's projects and mines or may require Andean to enter into agreements with such groups or local governments with respect to Andean's projects and mines, in some cases, causing increased cost and considerable delays to the advancement of Andean's projects. Further, publicity adverse to Andean, its operations or extractive industries generally, could have an adverse effect on Andean and may impact relationships with the communities in which Andean operates and other stakeholders. While Andean is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk.

Andean's other projects, including exploration projects, may also be impacted by relations with various community stakeholders, and Andean's ability to develop related mining assets may still be affected by unforeseen outcomes from such community relations.

(xxiv) Non-Governmental Organizations

Certain non-governmental organizations ("NGOs") that oppose globalization and resource development are often vocal critics of the mining industry and its practices, including the use of hazardous substances in processing activities. Adverse publicity generated by such NGOs or other parties generally related to extractive industries or specifically to Andean's operations, could have an adverse effect on Andean's reputation, impact Andean's relationship with the communities in which it operates and ultimately have a material adverse effect on Andean's business, financial condition and results of operations.

NGOs may organize protests, install road blockades, apply for injunctions for work stoppage, file lawsuits for damages and intervene and participate in lawsuits seeking to cancel Andean's rights, permits and licences. NGOs may also lobby governments for changes to laws, regulations and policies pertaining to mining and relevant to Andean's business activities, which, if made, could have a material adverse effect on Andean's business, financial condition and results of operations.

(xxv) Litigation Affecting Mineral Properties

Potential litigation may arise on a mineral property on which Andean has an interest (for example, litigation with the original property owners or neighbouring property owners). The results of litigation cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If Andean is unable to resolve these disputes favourably or if the cost of the resolution is substantial, such events may have a material adverse impact on the ability of Andean to carry out its business plan.

(xxvi) Foreign Subsidiaries

Andean is a holding company that conducts operations through subsidiaries, including foreign subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict Andean's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Andean's valuation and stock price.

(xxvii) Reliance on Local Advisors and Consultants in Foreign Jurisdictions

Andean holds mining and exploration properties in Bolivia. The legal and regulatory requirements in this country with respect to conducting mineral exploration and mining activities, banking system and controls, as well as local business culture and practices are different from those in Canada. The officers and directors of Andean must rely, to a great extent, on Andean's local legal counsel and local consultants retained by Andean in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect Andean's business operations, and to assist Andean with its governmental relations. Andean must rely, to some extent, on those members of management and Andean's board of directors who have previous experience working and conducting business in this country in order to enhance its understanding of and appreciation for the local business culture and practices. Andean also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing, labour, litigation and tax matters in these countries. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the control of the Company. The impact of any such changes may adversely affect the business of the Company.

(xxviii) Taxation in Multiple Jurisdictions

In the normal course of business, the Company is subject to assessment by taxation authorities in various jurisdictions. Income tax provisions and income tax filing positions require estimates and interpretations of income tax rules and regulations of the various jurisdictions in which the Company operates and judgments as to their interpretation and application to the Company's specific situation. The Company's business and operations of the business and operations of its subsidiaries is complex, and the Company has undertaken acquisitions and other material transactions. The computation of income taxes payable as a result of these transactions involves many complex factors as well as the Company's interpretation of, and compliance with, relevant tax legislation and regulations. While the Company's management believes that the provision for income tax is appropriate and in accordance with IFRS and applicable legislation and regulations, tax filing positions are subject to review and adjustment by taxation authorities, which may challenge the Company's interpretation of the applicable tax legislation and regulations. Any review or adjustment may have a material adverse effect on the Company's financial condition.

The introduction of new tax laws, tax reforms, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in Canada, the USA, Sweden, or Bolivia or any other countries in which the Company's subsidiaries may be located, or to which shipments of products are made, could result in an increase in the Company's taxes payable, or other governmental charges, interest and penalties, duties or impositions. No assurance can be given that new tax laws, tax reforms, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation, interest and penalties, or which could otherwise have a material adverse effect on the Company.

(xxix) Dilution

The Company may issue and sell additional securities of the Company from time to time. The Company cannot predict the size of future issuances of securities of the Company or the effect, if any, that future issuances and sales of securities will have on the market price of any securities of the Company that are issued and outstanding from time to time. Sales or issuances of substantial amounts of securities of the Company, or the perception that such sales could occur, may adversely affect prevailing market prices for the securities of the Company that are issued and outstanding from time to time. With any additional sale or issuance of securities of the Company, holders will suffer dilution with respect to voting power and may experience dilution in the Company's earnings per share.

(xxx) Enforcement of Legal Rights

Andean has material subsidiaries organized under the laws of Sweden and Bolivia and certain of Andean's directors, management and personnel are located in foreign jurisdictions. Given that the majority of Andean's material assets and certain of its directors, management and personnel are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, or its directors and officers, any judgments issued by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or other laws of Canada. Similarly, in the event a dispute arises in connection with Andean's foreign operations, Andean may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

(xxxi) Expansion Risk

Expansion of Andean's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that Andean will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurance that Andean will be able to manage growth successfully. Any inability of Andean to manage growth successfully could have a material adverse effect on Andean's business, financial condition and results of operations.

(xxxii) Dependence on Management and Key Personnel

The success of Andean for the foreseeable future will depend largely upon the ability of its management team and other key personnel. The loss of any one of these individuals could have a material adverse effect on Andean's business, and Andean would need to devote substantial resources to finding replacements. Andean currently does not carry "key-man" life insurance policies covering any of these officers.

Competition for qualified and experienced personnel in the field in which Andean operates is generally intense, and Andean relies heavily on its ability to attract and retain qualified personnel in order to successfully implement its business objectives. The failure to attract or retain key executives and personnel could impact Andean's operations.

(xxxiii) Dependence on Employees

Exploration and production from the properties in which Andean holds an interest and purchasing and processing ore from third parties depends on the efforts of employees. There is competition for persons with such expertise. The ability of the Company to hire and retain geologists and persons with such expertise is key to those operations. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in the jurisdictions in which those operations are conducted. Changes in such legislation or otherwise in the relationships with employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on the operations, results of operations and financial condition of Andean. If these factors cause the exploration to be ceased or curtailed at one or more of the Company's mineral properties or processing plants, such decision could have a material adverse effect on the business and financial condition of Andean.

(xxxiv) Lack of Dividends

The Company has never declared or paid any dividends on the common shares. Andean intends, for the foreseeable future, to retain its future earnings, if any, to finance its exploration activities and further development and the expansion of the business. The payment of future dividends, if any, will be reviewed periodically by the Board of Directors of Andean and will depend upon, among other things, conditions then existing including earnings, financial conditions, cash on hand, financial requirements to fund the Company's exploration activities, development and growth, and other factors that the Board may consider appropriate in the circumstances.

(xxxv) Information Systems and Cyber Security

Our operations depend, in part, upon information technology systems. The Company's information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, hacking, computer viruses, security breaches, natural disasters, power loss, vandalism, theft and defects in design. Any of these and other events could result in information technology systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches or other manipulation or improper use of the Company's data, systems and networks, any of which could have adverse effects on the Company's reputation, business, results of operations, financial condition and share price.

Our risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect the Company's systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

4.3 Mineral Projects

<u>San Bartolomé- Bolivia</u>

(i) Current Technical Report

The current technical report on Andean's material mining interests in Bolivia is the San Bartolomé Technical Report. As disclosed above, the San Bartolomé Technical Report was prepared for Andean by the following "Qualified Persons" as defined by National Instrument NI 43-101: Giovanny Ortiz (SRK Consulting (U.S.), Inc.), Donald J. Birak (Birak Consulting, LLC), Fernando Rodrigues (SRK Consulting (U.S.), Inc.), Eric J. Olin (SRK Consulting (U.S.), Inc.), Mark Willow (SRK Consulting (U.S.), Inc.), Matt Fuller (Tierra Group) and Patrick Daniels ((SRK Consulting (U.S.), Inc.)..

The summary of the San Bartolomé Technical Report is reproduced below. Portions of the following information are based on assumptions, qualifications, and procedures not fully described below. Reference should be made to the San Bartolomé Technical Report and the full text thereof, which is incorporated by reference in this AIF. The San Bartolomé Technical Report was filed under the Company's SEDAR+ profile on http://www.sedarplus.ca/. All capitalized terms used in the summary below that are not otherwise defined shall have the meanings ascribed thereto in the San Bartolomé Technical Report.

(ii) Project Description, Location and Access

Andean's Bolivian mining interests are located in the Altiplano of south-southwest Bolivia in the Department of Potosí. The nearest major city is Potosí - the capital city of the Department of Potosí. Access to Potosí is by road or air to Sucre from either La Paz or Santa Cruz de la Sierra, then by paved road.

The San Bartolomé surface mine and ore processing and tailings facilities are located to the south of the city, flanking the historic mining areas at Cerro Rico. The San Bartolomé mining operation is a centralized processing facility for the silver and tin-rich materials transported from a small number of sources. There are no activities associated with the internal high sulphidation mineralization of Cerro Rico.

All of Manquiri's mining rights and mineral resources and mineral reserves, cited in the San Bartolomé Technical Report, are controlled under current legal contracts.

(iii) History

Manquiri has a substantial history of silver exploration, development and production in Bolivia, commencing in 2008 at San Bartolomé and extending through the effective date of this technical report. Other than a short hiatus imposed by the novel coronavirus pandemic, production has been continuous since 2008. In years 2015 through 2017, Manquiri, under its prior corporate ownership, processed oxidized silver bearing material purchased from external mining sources. This purchased material amounted to the following totals from 2015 through 2017:

- Tonnes (t): 0.479 million tonnes (Mt)
- Average silver grade: 235 grams/tonne (g/t)
- Contained silver troy ounces (oz): 3.642 million (M)

Since the 2018 acquisition by Andean PM AB (formerly Ag-Mining Investments AB), Manquiri has supplemented its production feed to the San Bartolomé mill from other purchased materials prior to the effective date of this technical report, some of which contained significant amounts of gold (Section 6).

Since acquisition by Ag-Mining of Manquiri, through the effective date of this technical report, San Bartolomé's production tonnage from purchased materials ranged from 17.2 percent (%) to 32.6% of annual, past production

(iv) Geological Setting, Mineralization and Deposit Types

The silver-bearing mineral deposits discussed in this Technical Report are alluvial and colluvial, unconsolidated sediments (the pallacos flanking Cerro Rico), high sulfidation deposits (Tollojchi) and intermediate sulfidation deposits (Alta Vista and Paca). The pallacos also contain tin. Cerro Rico is a prominent +4,700 meter (m) elevation mountain, located due south of the city of Potosí.

<u>San Bartolomé</u>

The mineral deposits at Cerro Rico are the source of the San Bartolomé pallacos and were formed by erosion and downslope accumulation of the in situ high sulfidation, epithermal deposits at Cerro Rico, composed of veins, stockworks, hydrothermal breccias and irregular bodies, hosted in a very altered resurgent dome of dacitic- to rhyodacitic-composition porphyritic intrusion emplaced in Middle Miocene time (approx. 14 mya). These deposits consist of an unsorted mixture of cobbles and boulders in a sandy clay matrix, accumulated down slope by colluvial and alluvial processes, filling depressions, gullies and low-gradient areas. The deposits have been grouped into three areas named Antuco, Huacajchi and Santa Rita. As of the Effective Date of this Technical Report, the pallacos had been nearly depleted.

<u>Alta Vista</u>

Mineralization at Alta Vista is hosted in epithermal veins of intermediate sulfidation character. Alta Vista mineral resources and mineral reserves cited herein are located in oxidized portions of the deposit. Aside from variable amounts of manganese, the Alta Vista oxides are largely silver-bearing. Mineralization is controlled by multiple, epithermal veins with the main, Veta Rica vein, supplying all the material processed to date from Alta Vista transported to the San Bartolomé plant. Gangue mineralization at Alta Vista consists largely of quartz and Fe-Mn oxides with lesser amounts of alunite and other alteration minerals.

Tollojchi

Silver mineralization in Tollojchi is hosted in veins, breccias and disseminated zones and is strongly associated with the presence of several NE-SW trending lithocaps. Tollojchi mineralization is high sulfidation in character, with pyrophyllite and vuggy silica present, typical of this geologic environment (Sillitoe, 1998). The main areas that provide oxidized material to San Bartolomé are Mantos, Rosario and Platera, which reach up to900 m of longitudinal continuity, and at least 200 m at depth and form the basis for the mineral resources and reserves cited in this technical report.

Paca

Paca mineralization is intermediate sulfidation in character, occurring as disseminations, and consists in oxidized and sulfidic material, hosted within igneous and sedimentary rocks. In conglomerate, mineralization is mainly in matrix, which was replaced by barite-tetrahedrite; in andesite, minerals observed are disseminated and cavity fillings. The contact between both units is the main control of mineralization. On surface, Ag contents are dominant, while base metals increase at depth.

(v) Exploration, Development of Operations

Development and Operations

Manquiri has developed and produced from pallacos at San Bartolomé from commencement of commercial production in 2008 until September 2023. These silver-bearing gravels did not require prestripping or process capital to achieve the production profile presented herein. The San Bartolomé area has been extensively explored since the late 1900's and more recently by ASARCO followed by Coeur Mining Inc. (Coeur) and Andean via Manquiri. As of September 2023, COMIBOL has and will not renew pallaco concessions due to decree by the Bolivian government to preserve the shape and form of the historic Cerro Potosí. During 2023, pallaco mineralization was largely depleted.

FDF

FDF is an impoundment of fine (-2.4-millimeter (mm), 8 mesh#) material that has been screened out of the pallacos at the plant crusher station and then stored since the operation started. The material in the FDF has been explored primarily through barge-supported sonic drilling. Extensive drilling has been implemented to characterize the geochemical and geotechnical characteristics of the FDF. Deposition of fines to the FDF was finalized in 2023, and no additional material has been added after December 2023. No additional exploration activities are planned for the FDF in 2024.

Contracted Material (Tollojchi, Altavista and Paca)

Manquiri has made and sampled trenches and performed underground rock sampling at Alta Vista, Tollojchi and Pacca. In Altavista, this work included 595 rock samples from 8 trenches and 88 rock samples from underground workings. In Tollojchi, 439 rock samples from surface and 953 underground samples were collected. In Paca, Manquiri completed re-logging of the existing core, collecting 715 core samples as part of the validation process, 293 rock sampling from 4 trenches, and 125 samples from underground workings. New sampling and drilling programs are being designed by Manquiri for completion in 2024.

(vi) Mineral Ore Processing and Metallurgical Testing

The Company operates the San Bartolomé oxide mill, situated in Potosi, Bolivia, at a high altitude (4,100 meters above sea level). Prior to 2008, the site recognized that pallaco deposits could be upgraded by screening out smaller (-8 mesh or -2.36 mm) material. This process, involving crushing, scrubbing, and screening, enriched the feedstock for the cyanidation circuit, with fines being stored in the FDF, which contains about 10 million tonnes (Mt) of material at an average silver grade of approximately 50 g/t. Various test campaigns have assessed the potential for economically processing this FDF material.

Amenability Cyanide Leach Tests on Unscreened Fines from the FDF

The Company conducted cyanide leach tests on unscreened samples from each of 82 drill holes within the FDF. After grinding to a fine particle size (74 µm), the tests aimed to maximize silver extraction, achieving an average silver extraction of 76% with a silver grade of 51.1 g/t Ag. Cyanide consumption averaged 1.3 kg/t, and lime consumption was 3.78 kg/t. These results were obtained under aggressive leaching conditions, including a high cyanide concentration (23,000 ppm).

Cyanide Leach Tests on Screened +140 Mesh Fraction from the FDF

A composite sample from the FDF was screened at 140 mesh, and APM tested the +140 mesh fraction to determine silver extraction rates under varying grind sizes. Silver extraction increased as grind size became finer, reaching up to 78.4% extraction at the finest grind. Confirmatory tests on material at 80% passing 74 µm grind yielded consistent results, with average silver extraction of 78.2%. Reagent consumption for these tests was moderate, with sodium cyanide at 1.4 kg/t and lime at 3.9 kg/t.

Bradken Linings Leach Test Work

Bradken Linings tested cyanidation on different FDF fractions, including unscreened, +140 mesh, and -140 mesh samples. The unscreened samples showed lower silver extractions, peaking at 48.8%, while tests on the +140 mesh fraction (with oxygen injection) achieved higher extraction rates of 69.8% to 75.6%. Oxygen injection in these tests improved extraction, with cyanide consumption at 1.8–2.1 kg/t and lime at 4.2–4.6 kg/t.

SGS Cyanide Leach Test Work

SGS Lakefield conducted cyanide leach tests on five FDF composites, coarser ground to P80 110 µm. This series, with lower initial cyanide levels and limited oxygen injection, reported lower silver extraction rates of 42.6% to 50.4%. Cyanide consumption in these tests was lower than in other studies, ranging from 0.4 to 1.0 kg/t, and lime consumption was between 4.2 and 5.5 kg/t. Factors such as coarser grind and lack of cyanide addition during grinding may explain the lower silver recovery compared to other tests.

(vii) Mineral Resource and Mineral Reserve Estimate

In December 2023, the Company announced updated mineral reserve and resource estimate ("**MR&RE**") for San Bartolomé mine and mill operations. MR&RE for the project was calculated in accordance with NI 43-101 and generally accepted CIM Guidelines. Methodology for estimation of mineral resources is disclosed in the San Bartolomé Technical Report that has been filed on SEDAR+.
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Material Source	**Area**	**Category**	**Tonnes[1] (000s)**	**Ave. Silver Grade (g/t)**	**Contained Silver (Moz)**
San Bartolomé Tailings	FDF [ii]	Measured	-	-	-
		Indicated	3,813	56	6.90
		M+I	**3,813**	**56**	**6.90**
		Inferred	92	52	0.15
Tollojchi Area - Contracted	Manto [iii]	Measured	-	-	-
		Indicated	773	127	3.15
		M+I	773	127	3.15
		Inferred	35	131	0.15
	Platera [iii]	Measured	-	-	-
		Indicated	636	160	3.28
		M+I	636	160	3.28

Material Source	Area	Category	Tonnes(1) (000s)	Ave. Silver Grade (g/t)	Contained Silver (Moz)
		Inferred	445	145	2.07
	Rosario (iii)	Measured	-	-	-
		Indicated	183	148	0.87
		M+I	183	148	0.87
		Inferred	115	136	0.50
Other Areas - Contracted	Alta Vista (iv)	Measured	-	-	-
		Indicated	34	354	0.39
		M+I	**34**	**354**	**0.39**
		Inferred	55	371	0.66
	Paca (v)	Measured	-	-	-
		Indicated	666	223	4.78
		M+I	666	223	4.78
		Inferred	223	230	1.65
Owner + Contracted	**Totals**	**Measured**	0	0	0
		Indicated	6,105	98	19
		M+I	6,105	98	19
		Inferred	965	167	5

Notes:

(i) Mineral resources are effective as of December 1, 2023, and inclusive of mineral reserves. Mineral resources that are not mineral reserves have not demonstrated economic viability. There is no certainty that all or any part of those mineral resources will be converted into mineral reserves estimate. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, any apparent errors are insignificant. Silver assays were capped where appropriate. Given the historical production and knowledge of the projects, it is the Company's opinion that all the silver grades included in the calculations have a reasonable potential to be recovered and sold.

(ii) The following assumptions are considered for the FDF mineral resources:
  a) Assumed silver price of $25/oz and metallurgical recovery of 78%.
  b) Mineral resources are reported at an in-situ cut-off of 47 g/t Ag, grade of material above mesh #14. This cut-off considers, on a per tonne basis: mining cost: $1.42/t; processing costs: $17.89/t; general & administrative and indirect costs: $6.1/t; capital: $0.63/t; refining, shipping, and laboratory costs: $0.65/t. Other costs considered are the COMIBOL (Corporación Minera de Bolivia) royalty of 4% and the silver Bolivian royalty of 6%.
  c) 100% mining recovery.

(iii) The following assumptions are considered for the mineral resources deriving Manto, Platera and Rosario:
  a) The mineral resources are reported at an in-situ cut-off of 64.3 g/t Ag.
  b) Mineral resources are reported within a constraining pit shell. Assumed silver price of $25/oz; assumed metallurgical silver recovery: 80%; mining and transport: $6.49/t; process costs: $22.98/t; G&A and other indirect costs: $3.67/t; administrative costs: $2.74/t; capital expenditures: $2.65/t. Other costs are the COMIBOL (Corporación Minera de Bolivia) royalty of 4%, the silver Bolivian royalty of 6%, and refining and shipping and laboratory costs of $0.66/t.
  c) Material from Manto, Platera and Rosario transportation costs of $18.50/t has been applied to the economic analysis. SRK is using an incremental cutoff to define if the material is considered as mineral resources.
  d) 100% mining recovery.

(iv) The following assumptions are considered for the mineral resources deriving from Alta Vista:
  a) The mineral resources are reported at an in-situ cut-off of 247 g/t Ag, considering underground mining methods.
  b) Assumed silver price of $25/oz; Assumed metallurgical silver recovery: 70%; transport: $29.58/t; mining: $63,8/t; process costs: $24.69/t; G&A and other indirect costs: $3.8/t; administrative costs: $4.57/t; capital expenditures: $0.41/t. Other costs are the silver Bolivian royalty of 6%, and refining and shipping and laboratory costs of $0.66/t.
  c) 100% mining recovery.

(v) The following assumptions are considered for the mineral resources deriving from Paca:
  a) The mineral resources are reported at an in-situ cut-off of 172 g/t Ag.
  b) Oxidized and transitional (partially oxidized) materials are reported.
  c) The mineral resources are reported within a constraining pit shell. Assumed silver price of $25/oz; assumed metallurgical silver recovery: 80%; mining and haulage costs: $30.86/t; transport: $18.0/t; process costs: $20.29/t; ore purchase costs: $11.90/t. refining, shipping, and laboratory costs: $0.45/oz Ag. Other costs are the COMIBOL (Corporación Minera de Bolivia) royalty of 4%, the silver Bolivian royalty of 6%.
  d) 100% mining recovery.

Material Source	Area	Ag Cutoff (g/t)	Category	Ore (Mt)	Ag (g/t)	Contained Ag (Moz)	Recovered Ag (Moz)
San Bartolomé Tails	FDF[(2)]	50	Proven	-	-	-	-
			Probable	3.27	58	6.09	4.75
			P+P	**3.27**	**58**	**6.09**	**4.75**
Tollojchi Area Contracted	Manto [(3)]	70	Proven	-	-	-	-
			Probable	0.76	126	3.07	2.46
			P+P	**0.76**	**126**	**3.07**	**2.46**
	Platera[(3)]	70	Proven	-	-	-	-
			Probable	0.58	157	2.92	2.34
			P+P	**0.58**	**157**	**2.92**	**2.34**
	Rosario[(3)]	70	Proven	-	-	-	-
			Probable	0.18	143	0.81	0.65
			P+P	**0.18**	**143**	**0.81**	**0.65**
Other Areas Contracted	Alta Vista [(4)]	250	Proven	-	-	-	-
			Probable	0.03	357	0.39	0.27
			P+P	**0.03**	**357**	**0.39**	**0.27**
	Paca [(5)]	180	Proven	-	-	-	-
			Probable	0.26	228	1.91	1.53
			P+P	**0.26**	**228**	**1.91**	**1.53**
Owner + Contracted	**Totals**	**Variable**	**Proven**	**-**	**-**	**-**	**-**
			Probable	**5.08**	**93**	**15.19**	**11.95**
			P+P	**5.08**	**93**	**15.19**	**11.95**

Notes

- The costs used in the cash flow have minor differences when compared to costs used in the cut-off grade calculation, however, these are not considered material.
- Waste tonnes within pit is 12.2 Mt at a strip ratio of 1.26:1 (waste to in situ RoM ore).
- Open pit reserves are diluted (further to dilution inherent in the resource model and assumes selective mining unit of 2.5 m x 2.5 m x 2.5 m).
- Open pit reserves assume complete mine recovery.
- Metallurgical recoveries are 80% except for FDF at 78% and Alta Vista at 70%.
- Mining type is all open pit except for FDF tailings reprocessing and Alta Vista underground.

(i) Mineral reserves are effective as of December 1, 2023, and inclusive of mineral reserves. Mineral reserves tonnage and contained metal have been rounded to reflect the accuracy of the estimate. Any apparent errors are insignificant. Given the historical production and knowledge of the projects, it is the company's opinion that all the silver grades included in the calculations have a reasonable potential to be recovered and sold.

(ii) The following assumptions are considered for the FDF mineral reserves:

a. Assumed silver price of $23/oz. Metallurgical recovery is estimated to be in the range of 76% to 78%. Assume metallurgical recovery of 78%.
b. Mineral reserves are reported at an in-situ cut-off of 50 g/t Ag, grade of material above mesh #14, has been used for reporting the mineral reserves at the FDF. This cut-off considers, on a per tonne basis, $1.42 mining cost, $17.89 processing costs, $6.1 G&A and indirect costs, $0.63 capital, $0.65 refining, shipping, and laboratory costs. Other costs considered are the COMIBOL (Corporación Minera de Bolivia) royalty of 4% and the silver Bolivian royalty of 6%.
c. 100% mining recovery and dilution of approximately 5%.

(iii) The following assumptions are considered for the mineral reserves deriving Manto, Platera, and Rosario:

a. The mineral reserves are reported at an in-situ cut-off of 70 g/t Ag.
b. The mineral reserves are reported within a constraining pit shell. Assumed silver price of $23/oz; assumed metallurgical silver recovery: 80%; mining and transport: $6.49/t; process costs: $22.98/t; G&A and other indirect costs: $3.67/t. Other costs considered included smelting; administrative costs: $2.74; capital expenditures: $2.65/t. Other costs are the COMIBOL (Corporación Minera de Bolivia) royalty of 4%, the silver Bolivian royalty of 6%, and refining and shipping and laboratory costs of $0.66/t.
c. 100% mining recovery and dilution of approximately 5%.

(iv) The following assumptions are considered for the mineral reserves deriving from Alta Vista:

a. The mineral reserves are reported at an in-situ cut-off of 250 g/t Ag, considering underground mining methods.
b. Oxidized and transitional (partially oxidized) materials are reported.

c. Assumed silver price of $23/oz; assumed metallurgical silver recovery: 70%; transport: $29.58/t; mining: $63,8/t; process costs: $24.69/t; G&A and other indirect costs: $3.8/t; administrative costs: $4.57/t; capital expenditures: $0.41/t. Other costs are the silver Bolivian royalty of 6%, and refining and shipping and laboratory costs of $0.66/t.
d. 100% mining recovery and dilution of approximately 20%.

(v) The following assumptions are considered for the mineral reserves deriving from Paca:

a. The mineral reserves are reported at an in-situ cut-off of 180 g/t Ag.
b. Oxidized and transitional (partially oxidized) materials are reported.
c. Mineral reserves are reported within a constrained pit shell. Assumed silver price of $23/oz; assumed metallurgical silver recovery: 80%; ore purchase, mining and haulage costs: $60.80/t; process costs: $20.29/t; refining, shipping, and laboratory costs: $0.45/oz Ag. Other costs are the COMIBOL (Corporación Minera de Bolivia) royalty of 4%, the silver Bolivian royalty of 6%.
d. 100% mining recovery and dilution of approximately 5%.
e. Mining plan assumes use of Paca instead of other contracted material.

* The mineral reserve estimate for the project was calculated by Fernando P. Rodrigues, BSc, MBA MMSAQP #01405QP of SRK Consulting (U.S.) Inc. in accordance with the Canadian Securities Administrators NI 43-101 and generally accepted CIM Guidelines

(viii) Recovery Methods

RoM and Purchased Ore Recovery

Silver recovery from run of mine (RoM) and purchased ore is estimated at 80.5% and is based on the weighted average silver recovery reported for the San Bartolomé process plant over the period from 2021 – 2023 (Q1).

FDF Fines (+140 mesh Fraction)

Silver recovery from the deslimed and classified FDF fines (+140 mesh) is estimated at 76.0 and is based on duplicate confirmatory leach tests conducted by APM at their on-site laboratory using test conditions that simulate the process plant operating conditions at a target grind of P80 75 µm. An average silver extraction of 78.2% was obtained during these confirmatory tests. SRK applies a 2% deduction to the reported silver extraction to account for inherent plant inefficiencies. This results in an average silver recovery from the FDF of 76.2%, which is rounded down to 76.0%.

(ix) Project Infrastructure

Extensive infrastructure exists to support the project given the mining history and current production.

(x) Environmental Studies and Permitting

Manquiri has all the permits and rights required for its operations. The COMIBOL Bolivian government permit to mine the pallaco alluvial deposits expired in September 2023 and was not renewed because of a constitutional resolution that obligated COMIBOL to preserve the conical structure of Cerro Rico as a historical monument. The resolution has no effect on the processing of contracted material or the reprocessing of the FDF tailings. The Qualified Persons have relied upon company and external, non-Qualified-Persons sources, to disclose the rights and obligations cited herein.

(xi) Capital and Operating Costs and Economic Analysis

The estimate contained in the San Bartolome Technical Report is based on historic costs incurred at the site, existing contracts with service providers and engineering to prepare for the planned FDF expansion. Andean provided SRK with the details supporting their capital estimates:

Table 1-5: LoM Capital Cost Summary

Sustaining Capex	Unit	Value
Hydraulic mining and pre-concentration	US$	6,700,000
Sustaining Capital	US$	11,200,000
Closure	US$	2,250,000
Total	**US$**	**20,150,000**

Operating costs were developed by Andean and EPCM Consultores ("**EPCMC**") and are based on the production schedule and stated reserves. Cost estimation is based on requirements of equipment, operating labor, supervision, and administrative labor, mine, and process consumables, maintenance, etc.

The following table summarizes the operating costs at San Bartolomé:

Table 1-6: Operating Cost Summary

Description	Unit	Value
Mining/Purchase Cost		
FDF	US$/t-washed	2.00
Manto	US$/t-washed	22.90
Platera	US$/t-washed	22.90
Rosario	US$/t-washed	22.90
Pacas	US$/t-washed	60.80
Altavista	US$/t-washed	137.00
Processing Cost		
Pre-Concentration FDF	US$/t-washed	1.42
Processing FDF	US$/t-Milled	16.13
Processing Manto	US$/t-Milled	23.49
Processing Platera	US$/t-Milled	23.49
Processing Rosario	US$/t-Milled	23.49
Processing Pacas	US$/t-Milled	20.29
Processing Altavista	US$/t-Milled	24.69
TSF FDF	US$/t-Milled	1.76
TSF Manto	US$/t-Milled	1.76
TSF Platera	US$/t-Milled	1.76
TSF Rosario	US$/t-Milled	1.76
TSF Pacas	US$/t-Milled	1.76
TSF Altavista	US$/t-Milled	1.76
Other Cost		
G&A	US$/t-Milled	0.91
Indirect	US$/t-Milled	2.80
Administrative	US$/t-Milled	3.80

Economic Analysis

The financial results are derived from monthly inputs prepared by SRK. Cash flows are reported on a yearly basis. All financial data is Q3 2023 U.S. dollars. The cash flow evaluation of San Bartolomé project indicate that it has a positive after-tax present value. As the project is installed and currently operating, it requires mostly sustaining capital and the costs associated with the operation

Soledad Mountain Heap Leach Project- Kern County, California USA

(i) Current Technical Report

The current technical report on Andean's material mining interests in California is the Soledad Mountain Technical Report. As disclosed above, the Soledad Mountain Technical Report was prepared for Andean by the following "Qualified Persons" as defined by National Instrument NI 43-101: Carl Defilippi (Kappes Cassiday & Associates, RM SME), Joseph McNaughton (Independent Mining Consultants, Inc, PE), Michael Gustin (RESPEC, CPG) and George Klemmick (Consulting Geologist, CPG).

The summary of the Soledad Mountain Technical Report is reproduced below. Portions of the following information are based on assumptions, qualifications, and procedures not fully described below. Reference should be made to the Soledad Mountain Technical Report and the full text thereof, which is incorporated by reference in this AIF. The Soledad Mountain Technical Report was filed under the Company's SEDAR+

profile on http://www.sedarplus.ca/. All capitalized terms used in the summary below that are not otherwise defined shall have the meanings ascribed thereto in the San Bartolomé Technical Report.

(ii) Project Description, Location and Access

Golden Queen has been operating the Soledad Mountain gold and silver mine in the western Mojave Desert since 2016. The mine is located approximately five miles south of the town of Mojave in Kern County, Southern California. Access to site is from State Route 14 and Silver Queen Road, an existing paved County road. Silver Queen Road is the primary access to site.

(iii) History

The mine's history dates back to the late 1800s, when precious metals were discovered in float samples, leading to the discovery and development of the Queen Esther underground mine at Soledad Mountain. Today, the mine utilizes conventional open pit mining methods, cyanide heap leach and Merrill-Crowe processes to recover gold and silver from crushed, agglomerated ore. The mine processes an average of approximately 4.0 million short tons of ore per year.

(iv) Geological Setting, Mineralization and Deposit Types

Soledad Mountain is an erosional remnant of a Miocene-age rhyolitic volcanic center within the western part of the Mojave structural block, a triangular-shaped area bounded to the west by the northwest-trending, right-lateral San Andreas Fault and to the north by the northeast-trending, left lateral Garlock Fault. This volcanic center overlies a basement of Cretaceous Quartz Monzonite. The volcanic lithologies have been assigned to: 1) Quartz latite, present over most of the northeast portion of the deposit and in the subsurface of the center of the deposit; 2) Pyroclastic rocks, present at both the surface and subsurface of the deposit; and lithologically above and beneath flow-banded rhyolite; 3) flow-banded rhyolite, which occurs at the surface in the north-central portion of the deposit and, as an intrusive, extending deep into the center of the deposit; and 4) porphyritic rhyolite (previously referred to as rhyolite porphyry), which extends from the surface to the depth of drilling over most of the southwest portion of the deposit.

Gold and silver mineralization at Soledad Mountain occurs in a swarm of mainly northwest-striking, subparallel to anastomosing, low-sulfidation, epithermal quartz veins that formed in faults and fractures within the Miocene rhyolitic volcanic units. Over 20 gold-silver veins and related vein splits have been identified and modeled as part of the project resources. Veins generally strike N40°W and dip at moderate to high angles to the northeast and to the southwest, and occur in parallel and, locally, en echelon patterns over a total strike-length of 7,000 ft and a total width of 4,500 ft. Vein "zones" consist of one or more central veins surrounded by either a stockwork or parallel zones of sheeted narrow quartz veins. Mineralization consists of fine-grained pyrite, covellite, chalcocite, tetrahedrite acanthite, native silver, pyrargyrite, polybasite, native gold and electrum within discrete quartz veins, veinlets, veinlet stockworks, and irregular zones of silicification. Gangue minerals include quartz, potassium feldspar (adularia), ferruginous kaolinitic clay, sericite, hematite, magnetite, goethite, and limonite.

The Soledad Mountain gold-silver deposit is a volcanic-hosted, low-sulfidation, epithermal vein system with low base metal content. The deposit is characterized by multiple major veins formed through episodic deposition of quartz, adularia, sericite, calcite, and minor sulfides in open faults and fractures. These veins are accompanied by nearby stockwork zones and wall-rock alteration involving quartz, adularia, and sericite. Similar deposits are found in places like Oatman (Arizona), Bullfrog (Nevada), Bodie (California), and Tayoltita (Mexico). Soledad Mountain stands out for its high concentration of veins in a compact area. Mid-Miocene to recent wrench-fault tectonism, related to the San Andreas and Garlock faults, has caused extensive shearing and brecciation of these veins.

(v) Exploration, Development of Operations.

Exploration of the Soledad Mountain gold-silver deposit by Golden Queen began in 1988 and was conducted intermittently until 2011, with consistent efforts resuming from 2015 to the report's effective date.

Early work included geologic mapping (1986-1991) and geochemical surveys in the 1990s, 2019, and early 2020s. Channel sampling in 1988 and 1997-1998 validated historical data from Gold Fields American Development Co. Drilling has been central to Golden Queen's exploration work.

In 1997, a study by Thornsberry, Hall, and Bruff established detailed cross-sections and stope models, forming the basis for geological and resource modeling updated through 2014 and beyond. A large surface exploration program in 2019, followed by smaller programs from 2020 to 2022, focused on mapping, sampling, and initial drill testing on the flanks of the Soledad Mountain Volcanic Complex. New drill targets emerged from this work, some of which have shown promising results, while others await initial testing.

(vi) Mineral Ore Processing and Metallurgical Testing

Golden Queen has primarily mined and processed three main ore types: rhyolite (55% of tonnage), pyroclastic (32%), and quartz (13%).

Future mining will focus on the Golden Queen, Starlight, Soledad, Silver Queen, and Sheeted Vein areas:

- **Golden Queen, Starlight, and Soledad**: These deposits have been historically mined, and leach plant recovery data from past operations will guide future recovery forecasts.
- **Silver Queen**: Recently mined, this deposit contains a mix of historically mined ore types (rhyolite, pyroclastic, quartz, and latite). Blended with other materials in recent years, laboratory tests will be used for recovery predictions.
- **Sheeted Vein**: This deposit features ore types (sulfide, mixed, and non-sulfide) not historically processed. Small quantities have been mined, and laboratory tests are being used to estimate recovery rates.

Site personnel have been conducting column leach tests on monthly composites of crushed ore since start up in early 2016. It was observed that the Golden Queen, Starlight and Soledad material had a relationship between gold recovery and elevation. A series of column leach tests have also been recently completed on samples from the Silver Queen and Sheeted Vein deposits.

(vii) Mineral Resource and Mineral Reserve Estimate

On January 31, 2024, the Company announced updated MR&RE for Golden Queen. MR&RE for the project was calculated in accordance with NI 43-101 and generally accepted CIM Guidelines. Methodology for estimation of mineral resources is disclosed in the Soledad Mountain Technical Report that has been filed on SEDAR+.

Table 1: Updated Mineral Resources – Soledad Mountain as of September 30, 2023

			In-Situ Grade				Contained Metal	
			Gold		Silver		Gold	Silver
Classification	Tonnes	Tons	g/t	oz/ton	g/t	oz/ton	oz	oz
Measured	2,667,000	2,940,000	0.99	0.029	12.93	0.377	86,000	1,108,000
Indicated	39,147,000	43,152,000	0.58	0.017	8.06	0.235	736,000	10,133,000
Measured + Indicated	**41,814,000**	**46,092,000**	**0.62**	**0.018**	**8.37**	**0.244**	**822,000**	**11,241,000**
Inferred	**3,625,000**	**3,996,000**	**0.45**	**0.013**	**6.27**	**0.183**	**53,000**	**732,000**

Notes:

(i) Mineral resources are inclusive of mineral reserves.
(ii) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
(iii) The mineralization figures presented in the Soledad Mountain Technical Report are based upon estimates made by qualified persons. These estimates are imprecise and depend upon interpretation of geologic formations, grade, and metallurgical characteristics and upon statistical inferences drawn from drilling and sampling analysis, any or all of which may prove to be unreliable. Material changes in mineral resources or mineral reserves, grades, stripping ratios, or recovery rates may affect the economic viability of any project. The economic viability of mineral estimates can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, and work interruptions. There can be no assurance that: (a) the estimates made by qualified persons upon which the mineralization figures presented in the Soledad Mountain Technical Report are based will be accurate; (b) mineral resource or other mineralization figures will be accurate; or (c) this mineralization could be mined or processed profitably.
(iv) Mineral resources are reported by applying cutoffs of 0.008 oz AuEq/ton (0.274 g/t) at the Silver Queen zone and 0.005 oz AuEq/ton (0.171 g/t) at all other areas to all model blocks lying within optimized resource pits, in consideration of potential open-pit mining and heap-leach processing.
(v) Gold equivalent grades were calculated as follows: oz AuEq/ton = oz Au/ton + (oz Ag/ton / AuEq Factor). The AuEq Factor is derived from metal prices ($2,000/oz Au and $23/oz Ag) and recoveries of 55% for Au and 40% for Ag for model blocks lying within the Silver Queen zone (AuEq Factor = 120), and 85% for Au and 40% for Ag in all other areas (AuEq Factor = 185).
(vi) The effective date of the mineral resources is September 30, 2023.
(vii) Tonnage and grade estimations are presented in both U.S. and metric units. Grades are reported in troy ounces per short ton (U.S.) and in grams per metric tonne.
(viii) The Qualified Person for estimation of mineral resources is Michael Gustin of RESPEC.
(ix) Rounding may result in apparent discrepancies between tons, grade, and contained metal content.

Table 2: Updated Mineral Reserves – Soledad Mountain as of September 30, 2023

	Mineralization		Contained (In-Situ) Grade					Contained Metal	
	Metric	Imperial	NSR	Gold	-	Silver	-	Gold	Silver
Classification	**(ktonnes)**	**(ktons)**	**($/ton)**	**(g/t)**	**(opt)**	**(g/t)**	**(opt)**	**(oz)**	**(oz)**
Proven	1,671	1,842	42.6	1.11	0.032	14.29	0.417	59,744	767,876
Probable	19,338	21,316	29.3	0.68	0.020	9.79	0.285	424,931	6,085,430
Total Proven + Probable	**21,009**	**23,158**	**30.3**	**0.72**	**0.021**	**10.15**	**0.296**	**484,675**	**6,853,306**

Notes
(i) Mineral reserves were tabulated based on a $1,850/oz gold price and $23/oz silver price within a pit designed.
(ii) Mineral reserves are based on the economic input parameters provided in Tables 15.1-2, 15.1-3 & 15.1-4 of the Technical Report, which is available under the Company's profile on SEDAR+.
(iii) The mineral reserves cutoff grade is based on a net smelter return of $8.44/ore ton ($9.30/ore tonne).
(iv) Includes 389 ktons (353 ktonnes) from a low-grade stockpile, grading 0.48 g/t (0.014 opt) gold grade applied to probable reserves, not verified by QP, but is not material to the mineral reserves.
(v) Based on end of September 2023 topography.
(vi) Imperial: ktons means 1000 short tons; where, 1 short ton = 2000 lbs.
(vii) Metric: ktonnes means 1000 metric tonnes; where, 1 metric tonne = 2204.6 lbs.
(viii) Gold and silver are all reported as contained grades and contained metal where:

"opt" is troy ounce per short ton and "g/t" is grams per metric tonne "g/t" is grams per metric tonne

"oz" is 1 troy ounce.

(ix) The columns may not sum exactly due to rounding.

(viii) Recovery Methods

At the Soledad Mountain, run-of-mine ore is processed at a three-stage circuit crushing plant, handling about 375,000 dry tons per month. The plant features primary and secondary cone crushers, a primary screen, and an HPGR, with ore moved via conveyors. The HPGR discharge goes through an agglomeration drum, where cement and water are added, and is then conveyed to a heap leach pad. Cyanide solution is applied to the ore as it moves through the conveyor system to dissolve gold and silver.

Gold and silver are extracted through the Merrill-Crowe process, involving clarification, deaeration, zinc precipitation, and filtration, culminating in doré production. The site lab can perform 600 fire assays and 600 solution samples daily.

The heap leach pad is a multi-lift, single-use system, with 30-foot high lifts. A primary leach cycle lasts 75 days, using drip irrigation with dilute cyanide solution. The Intermediate Leach System (ILS) recycles lower-grade solution to extend leaching time and increase metal recovery. The pregnant solution is collected through pipes and pumped to the Merrill-Crowe plant. Average water usage is 404 gallons per minute.

(ix) Project infrastructure.

Extensive infrastructure exists to support the project given the mining history and current production. Details of the current infrastructure is found in the Soledad Mountain Technical Report.

(xi) Environmental Studies and Permitting

The Project is subject to federal, state and county acts and regulations governing precious metal cyanide heap leach operations. KCA reviewed information provided by Company staff and experts retained by the Company for information relating to the environmental studies performed and approvals and permits obtained for the Project. No environmental or permitting issues were found.

(xii) Capital and Operating Costs and Economic Analysis

The Soledad Mountain Project has been in operation since early 2016 providing almost eight years of historical operating data for the site. Future mining and processing at the site have recently increased due to recent improvements in operation. The historical data and experience of the site personnel will provide the best estimate of future costs.

The heap leach pad has been expanded to its final size. The capital costs are summarized as:

Total Sustaining Capital

($000)	Q4 2023	2024	2025	2026	2027	2028	2029
Mining	$ 3,079	$ 11,647	$ 5,449	$ 500	$ 500	$ 250	
Processing	25	820	$410	210	160	90	$ 1,000
Overhaul		10,622	5,724	8,338	1,625		

Other	131	2,401	2,304	250	250	125	
Total	**$ 3,235**	**$ 25,490**	**$ 13,887**	**$9,298**	**$ 2,535**	**$ 465**	**$ 1,000**

The capital costs are sustaining costs to rebuild and replace equipment and to replace the Merrill Crowe plant with a carbon adsorption circuit at closure.

Operating Cost Summary

Category	Cost per Ton Ore	Cost Fraction
Mining	$ 12.934	54.7%
Process	6.912	29.2%
Site services	1.173	5.0%
Administration	1.283	5.4%
Offsite operating	1.253	5.3%
Reclamation	0.102	0.4%
Total	**$ 23.657**	**100.0%**

The operating costs are estimated to average $23.66 per ton, including mining, processing, G&A and reclamation.

ITEM 5: DIVIDENDS

The Company has not declared or paid cash dividends on the Common Shares. The Company anticipates that all available funds will be invested to finance the growth of the Company's business, and accordingly, it is not contemplated that any dividends will be paid in the immediate or foreseeable future**.** The directors of the Company will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Company's financial position at the relevant time. Except for Golden Queen's restriction mentioned below, there are no restriction in the Company's articles or elsewhere which prevent the Company from paying dividends.

Golden Queen has a restriction as provided in the MSPL (See "*Material Contracts – Membership Interest Purchase Agreement*") and in accordance with Section 4003(c)(3)(A)(ii) of the CARES Act, which provides that until twelve (12) months after the date on which the MSPL is no longer outstanding, Golden Queen shall not pay dividends or make other capital distributions with respect to any common Capital Interests of Golden Queen, provided, however, Golden Queen may make distributions to the extent reasonably required to cover the tax obligations of the owners of such common Capital Interests in respect of Golden Queen's earnings.

ITEM 6: DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized share capital of the Company consists of an unlimited number of Common Shares without nominal or par value. 156,704,100 Common Shares were issued and outstanding as at December 31, 2023. As of the date of this AIF, 149,804,427 Common Shares are issued and outstanding. The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors of Andean, to one vote per share at meetings of Andean's shareholders of and, upon dissolution, to share equally in such assets of Andean as are distributable to the holders of Common Shares.

The Common Shares carry no pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring a holder of Common Shares to contribute additional capital and no restrictions on the issuance of additional securities by Andean. There are no restrictions on the repurchase or redemption of Common Shares by Andean except to the extent that any such repurchase or redemption would render Andean insolvent.

Stock Options and Other Compensation Securities

On September 8, 2022, shareholders of the Company approved the Company's Omnibus Long-Term Incentive Plan (the "**Omnibus Plan**"). The Omnibus Plan allows for a variety of equity-based awards that provide different types of incentives, particularly, common share purchase options ("**Options**"), restricted share units ("**RSUs**") and deferred share units ("**DSUs**", and collectively, "**Compensation Securities**") to be granted to officers, directors, employees and consultants of the Company and its subsidiaries. The Omnibus Plan provides that the maximum number of Compensation Securities to be issued thereunder is 15,791,413 Compensation Securities (being 10% of the issued and outstanding Common Shares on July 29, 2022). The following discussion is qualified in its entirety by the text of the Omnibus Plan.

Each Option issued under the Omnibus Plan shall be exercisable during a period established by the Board which shall commence on the date of the grant and shall terminate no later than 10 years after the date of grant. The minimum exercise price of an option will be determined by the Board but shall not be less than the minimum price permitted by the TSXV policies, which is generally the discounted market price as set out in the TSXV policies. The Omnibus Plan provides that the exercise period shall automatically be extended if the date on which it is scheduled to terminate falls during a blackout period. In such cases, the extended exercise period shall be terminated 10 business days after the last day of the blackout period. Options granted to any person retained to provide investor relations activities must vest in a period of not less than 12 months from the date of grant of the option and with no more than 25% of the Options vesting in any three-month period.

With respect to DSUs issued under the Omnibus Plan, each participant is entitled to redeem his or her DSUs within 90 days of his or her separation from the Company, and such DSUs may be settled in cash or Common Shares purchased on the open market.

With respect to RSUs issued under the Omnibus Plan, the Board may determine the number of RSUs to be granted to a participant, the relevant vesting provisions of such RSUs (which may not be less than one year and may not exceed three years), including any performance criteria and period over which such performance criteria must be met, if any and any other terms and conditions prescribed in the Omnibus Plan. The Board shall determine whether RSUs will be settled in Common Shares issued from treasury or settled in cash.

The following table describes the impact of certain events upon the rights of holders of awards under the Omnibus Plan, including termination for cause, resignation, termination other than for cause and death or long-term disability, subject to the terms of a participant's employment agreement, grant agreement and the change of control provisions described below:

Event Provisions	Awards
Termination for cause	Immediate forfeiture of all unexercised vested and unvested awards.
Death / disability	Unvested awards shall vest on such date and in the case of an RSU or DSU, be settled in accordance with the provisions of the Omnibus Plan and in the case of an option be exercised at any time during the period that terminates on the earlier of the expiry date and the first anniversary of the date of death or disability of the participant, as applicable.
Other reasons	Unvested awards are immediately forfeited. Vested RSUs and DSUs shall be settled in accordance with the provisions of the Omnibus Plan and in the case of an option be exercised at any time during the period that terminates on the earlier of the expiry date and the date that is 90 days from the date of death or disability of the participant, as applicable.

Additionally, certain outstanding Options and RSUs granted by the Company's are governed by the Company's previous option plan and RSU plan, as applicable. Please see the Company's Notice of Annual General and Special Meeting and Information Circular dated July 19, 2023, available on SEDAR+ at http://www.sedarplus.ca/ for further information.

As of December 31, 2023, the Company had the following outstanding Compensation Securities:

Type of Compensation Security	Number of Compensation Securities	Date of issuance or grant	Issue, conversion or exercise price (C$)	Expiry date
Options	200,000	March 19, 2021	$1.15	5 years after the completion of the Qualifying Transaction
Options	600,000	September 12, 2022	$1.15	5 years after date of granting.
Options	200,000	December 1, 2022	$1.15	5 years after date of granting.
RSUs	154,701	April, 6, 2022	$1.72	3 years after date of grant
RSUs	56,089	April 14, 2023	$0.686	3 years after date of grant
RSUs	1,059,900	April 14, 2023	$0.686	3 years after date of grant
RSUs	441,491	December 4, 2023	$0.58	3 years after date grant

As of the date of this AIF, the Company has 1,200,000 Options and 3,693,324 RSUs outstanding, for a total amount of 4,893,324 outstanding Compensation Securities.

ITEM 7: MARKET FOR SECURITIES

7.1 Trading Price and Volume

The Company's Common Shares are listed for trading on the TSXV. The following table sets forth trading information for the Common Shares on the TSXV for each month of the most recently completed financial year:

Month	High (C$)	Low (C$)	Volume

Jan-23	1.19	0.95	760,075
Feb-23	1.07	0.82	1,055,587
Mar-23	0.89	0.58	3,019,971
Apr-23	0.99	0.79	1,633,500
May-23	1.07	0.68	817,075
Jun-23	0.82	0.56	4,150,148
Jul-23	0.82	0.65	893,320
Aug-23	0.73	0.62	1,002,184
Sep-23	0.74	0.55	2,196,865
Oct-23	0.62	0.53	2,528,980
Nov-23	0.69	0.55	1,721,476
Dec-23	0.68	0.56	1,221,377

7.2 Prior Sales

During the financial year ended December 31, 2023, the Company issued the following unlisted securities:

Class of Security	Date of Issue or Grant	Number of Securities Issued	Exercise/Issue Price Per Security(1)(2) (C$)
Common Shares	December 11, 2023	38,267	$0.84

Notes:

(1) These Common Shares were issued upon settlement of Restricted Stock Units.

ITEM 8: ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the Company's knowledge, as at December 31, 2023, there were no escrowed common shares of the Company or common shares of the Company subject to contractual restriction on transfer.

ITEM 9: DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holding

The following table sets forth the name, province/state and country of residence of, position held with Andean by, and principal occupation of each person who was a director and/or an officer of Andean as at December 31, 2023. Directors are elected at each annual meeting of Andean's shareholders and serve as such until the next annual meeting of shareholders or until their successors are elected or appointed.

Name, Place of Residence	Principal Occupations During the Five Preceding Years(1)	Position(s) with the Company	Period as Director of Company
Alberto J. Morales(3)(5) *Santo Domingo, Dominican Republic*	Executive Chairman and CEO of the Company Entrepreneur	Executive Chairman, CEO and Director	Since March 19, 2021

Name, Place of Residence	Principal Occupations During the Five Preceding Years[(1)]	Position(s) with the Company	Period as Director of Company
Peter Gundy[(2)(3)(4)] *Ontario, Canada*	Director of Vertiprop Limited	Director	Since March 19, 2021
Grant Angwin[(2)(3)(4)(5)] *Utah, United States*	Founder and President of Angwin Precious Metals Services LLC President of Asahi Refining NA	Lead Director	Since July 7, 2021
Felipe Carlos Canales Tijerina[(2)(4)] *Nuevo Leon, Mexico*	Independent Financial Advisor Co-CEO of Rose Hill Special Acquisition Corp.	Director	Since March 16, 2022
Ramiro Gerardo Villarreal Morales[(3)] *Nuevo Leon, Mexico*	Director of Cemex S.A.B. de C.V. Director of Grupo Cementos de Chihuahua S.A. de C.V.	Director	Since March 16, 2022
Yohann Bouchard[(5)] *Ontario, Canada*	Executive Vice President and Chief Operating Officer at New Gold Senior Vice President and Chief Operating Officer at Yamana Gold Inc.	Director	Since December 1, 2022
Juan Carlos Sandoval *Texas, United States*	Certified Public Accountant Chief Financial Officer Perseus Energy	CFO	N/A
Segun Odunuga[(6)] *Ontario, Canada*	Vice President of Finance at TRX Gold Corporation Vice President, Corporate Controller at McEwen Mining Inc. Director of Finance and IT at Asahi Refining	Executive Vice President Finance	N/A
Federico Gil *Nuevo León, Mexico*	General Counsel of Perseus Energy	Vice President Legal and Administration	N/A
Sarai Cardoso *Nuevo León, Mexico*	Finance Director of the Company	Vice President Special Projects	N/A
Melissa Terui *Nuevo León, Mexico*	Legal Director and Corporate Secretary of the Company	Corporate Secretary and Legal Director	N/A
Trish Moran[(7)] Ontario, Canada	President of Trish Moran Strategic Consulting	Vice President Investor Relations	N/A
Humberto Rada *La Paz, Bolivia*	President at Manquiri	President Bolivia	N/A
Mark Fullenwider[(8)] California, United States	CEO of Golden Queen Mine Manager at Kaz Minerals RU	President at Golden Queen	N/A

Notes:

(1) The information as to principal occupation, above, and aggregate ownership of securities, below, has been furnished by the respective nominees, or obtained from information available on SEDI.

(2) Member of the Audit Committee.
(3) Member of the Nomination and Corporate Governance Committee.
(4) Member of the Compensation Committee.
(5) Member of the Health, Safety, Environment, Social and Sustainability Committee.
(6) Segun Odunuga stepped down as EVP, Finance on July 31, 2024
(7) Trish Moran stepped down as VP, Investor Relations on April 12, 2024
(8) Mark Fullenwider stepped down as President at Golden Queen on July 11, 2024

9.2 Aggregate Ownership of Securities

As at December 31, 2023, the directors and executive officers of the Company, as a group, beneficially own, or control, directly or indirectly, approximately 82,968,464 Common Shares, representing 52.95 % of all issued and outstanding Common Shares, approximately 1,200,000 Options representing 100% of the outstanding Options, and approximately 2,375,767 RSUs representing 77.83% of the outstanding RSUs.

9.3 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of the Company's knowledge, except as disclosed below, no director or executive officer of the Company is, as at the date hereof, or was within ten (10) years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of the Company's knowledge, except as disclosed below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to materially affect control of the Company:

(i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of the Company's knowledge, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

9.4 Conflicts of Interest

To the best of the Company's knowledge, there are no known existing or potential material conflicts of interest between the Company and any director or officer of the Company, except that certain of the directors and officers serve as directors and officers of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other companies.

Directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development or investment in natural resource companies and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (British Columbia) and other applicable laws.

ITEM 10: PROMOTERS

As at December 31, 2023 no person or company has acted as a promoter of the Company.

ITEM 11: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not as of the date of this AIF, a party to any material legal proceedings or regulatory actions. The Company is not aware of any material contemplated legal proceedings involving it or its operations.

ITEM 12: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No directors, executive officers or principal shareholders of the Company or any associate or affiliate of the foregoing have had any material interest, direct or indirect, in any transactions in which the Company has participated in its three most recently completed financial years or during the current financial year, which has materially affected or is reasonably expected to materially affect the Company.

ITEM 13: TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of the Common Shares is Computershare Investor Services Inc., located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

ITEM 14: MATERIAL CONTRACTS

(i) Membership Interest Purchase Agreement

Except for contracts entered into in the ordinary course of business, the Company entered into two (2) material contracts within the most recently completed financial year, or before the most recently completed financial year but which are still in effect as of the date hereof, is the Membership Interest Purchase

Agreement entered by and between Soledad and Auvergne Umbrella LLC, trough which the Company acquired a 100% interest in Golden Queen (the "**MIPA**") and the Uncommitted Line of Credit Agreement entered by and between Banco Santander International and the Company for a principal amount of US$ 25,000,000 (the "**ULCA"**).

Pursuant to the MIPA, the aggregate consideration payable to the Seller by Soledad consists of the following: (i) $5 million plus net working capital adjustments in cash paid by Andean to the Seller at closing; (ii) $5 million payable in either cash or common shares of Andean, at Andean's option, on the 12-month anniversary of closing; and (iii) $5 million payable in either cash or common shares of Andean, at Andean's option, on the 22-month anniversary of closing. On June 17, 2024, the Company announced it had irrevocably elected not to pay the remaining balance of the Golden Queen purchase consideration in shares.

As part of the acquisition agreement, Golden Queen will retain a Main Street Priority Loan ("**MSPL**") with CommerceWest Bank of California. The MSPL bears interest at the 3-month LIBOR rate plus 3% and is payable monthly. A first principal payment of $7.5 million and $0.2 million of accrued interest was paid through Golden Queen concurrent with the closing of this acquisition, reducing the total amount owing on the MSPL from $51.6 million to $43.9 million. A second principal payment of $7.5 million is due on November 24, 2024, with the remaining principal balance due upon maturity on November 24, 2025.

(ii) *Uncommitted Line of Credit Agreement*

Pursuant to the ULCA, the principal amount available to the Company by Banco Santander International consists of US$25,000,000. The maturity date on the borrowed funds is February 8, 2026.

A copy of the above material contracts are available on the Company's profile on SEDAR+ at www.sedarplus.ca.

ITEM 15: INTERESTS OF EXPERTS

15.1 Names of Experts

The following table lists the persons and companies who have prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 *Continuous Disclosure Obligations* by the Company during the fiscal year ended December 31, 2023:

Name of Individual or Company	Document Prepared or Certified
Donald J. Birak, Birak Consulting LLC	NI 43-101 Technical Report San Bartolomé Mine, Bolivia
Matthew Hastings, SRK Consulting (U.S.), Inc.	NI 43-101 Technical Report San Bartolomé Mine, Bolivia
Giovanny Ortiz, SRK Consulting (U.S.), Inc.	NI 43-101 Technical Report San Bartolomé Mine, Bolivia
Jerry Perkins	NI 43-101 Technical Report San Bartolomé Mine, Bolivia
Carl Defilippi, Kappes (Cassiday & Associates, RM SME)	Feasibility Study Update Technical Report on the Soledad Mountain Heap Leach Project Kern County, California USA
Joseph McNaughton (Independent Mining Consultants, Inc, PE)	Feasibility Study Update Technical Report on the Soledad Mountain Heap Leach Project Kern County, California USA
Michael Gustin (RESPEC, CPG)	Feasibility Study Update Technical Report on the Soledad Mountain Heap Leach Project Kern County, California USA
George Klemmick (Consulting Geologist, CPG)	Feasibility Study Update Technical Report on the Soledad Mountain Heap Leach Project Kern County, California USA
KPMG LLP	Andean Precious Metals Corp. Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022.

15.2 Interests of Experts

To the knowledge of the Company, none of the experts named above or their, designated professionals, respective associates, or affiliates currently hold or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company.

ITEM 16: AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**") requires the Company to disclose annually in its AIF certain information concerning the constitution of its audit committee and its relationship with its external auditor, as set forth below.

The auditor of the Company is KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants ("**KPMG**"), Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, ON M5H 2S5. KPMG is independent from the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

16.1 The Audit Committee Charter

A copy of the Company's Audit Committee Charter (the "**Audit Committee Charter**") is attached as Schedule "A" hereto. The Audit Committee Charter was adopted by the Board on April 28, 2021, and the actions and decisions of the Audit Committee have been governed by the Audit Committee Charter since.

16.2 Composition of Audit Committee

The current Audit Committee members are Peter Gundy, Grant Angwin and Felipe Carlos Canales Tijerina. Peter Gundy, Grant Angwin and Felipe Canales Tijerina are considered independent within the meaning of NI 52-110. All current Audit Committee members are financially literate within the meaning of NI 52-110.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the board, be reasonably expected to interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements presenting a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be can reasonably expect to be raised by the Company's financial statements.

16.3 Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

- an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and provisions;

- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

- an understanding of internal controls and procedures for financial reporting.

Peter Gundy

Peter Gundy was the founder of Neo Material Technologies Inc. ("**NEM**"), serving as CEO and Chairman from 1992 to 2008. Mr. Gundy created one of Canada's most successful small/medium enterprises operated by Canadians in China and Southeast Asia. With manufacturing plants in China and Thailand, NEM became #1 in the world in rare earth based advanced high tech materials for the world's electronic and automotive industries (NEM's proprietary material was used in every hard drive manufactured). In 2012, NEM was sold to Molycorp for C$1.1 billion. Mr. Gundy has served as a director with numerous publicly traded companies, including Banro Corp., True Gold Mining Inc., and Clifton Star Resources Corp. Peter Gundy holds a degree in Civil Law from McGill University and a MSc (Econ) from the London School of Economics.

Grant Angwin

Grant Angwin has nearly 40 years' experience in precious metals. He was, until recently, the President of Asahi Refining NA – the world's largest gold and silver refiners with 3 manufacturing operations in North America. Prior to the sale of the business in 2015, he worked for Johnson Matthey, both in the UK and USA, where he held various senior management roles. His experience includes being the former Chair of the London Bullion Market Association, past Member of the Shanghai Gold Exchange International Advisory Board and a Board Member of the Silver Institute. He currently sits on the ICE Benchmark Precious Metals Oversight Committee for the LBMA Gold and Silver prices. He studied Chemistry and Business and Finance at the University of Hertfordshire as well as the Executive Management Programme at Queens School of Business, Ontario.

Felipe Canales Tijerina

Felipe Canales Tijerina has 40 years of experience in the corporate finance and strategy areas, with over 25 years in top executive positions at major public companies. He has personally led and successfully executed large and complex corporate finance transactions, multi-jurisdictional debt restructurings, mergers and acquisitions, joint-ventures, and capital raisings. He is currently Co-CEO at Rose Hill, a Nasdaq SPAC focused on Latin America, among other international advising positions. Mr. Canales was CFO of Axtel from 2009 to 2017. Prior to Axtel he was CFO of Sigma Alimentos, the food division of Alfa, a global conglomerate with operations in Canada, the United States, Latin America, Europe and Asia, where he held other positions during his 30-year career at Alfa. Mr. Canales has an MBA degree from the Wharton School at the University of Pennsylvania and a B.Sc. in Industrial Engineering from Instituto Tecnológico de Monterrey.

16.4 Audit Committee Oversight

At no time since the commencement of the most recently completed financial year of the Company was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the directors of the Company.

16.5 Pre-Approval Policies and Procedures

The Audit Committee Charter of the Company requires the Audit Committee to approve in advance any non-audit related services provided by the external auditor of the Company. Non-audit services of up to US$25,000 (and up to a cumulative amount of US$75,000 in a calendar year) may be pre-approved by the Chair of the Audit Committee and ratified at the next Audit Committee meeting.

16.6 External Audit Service Fees (By Category)

The Company's current auditor, KPMG LLP, has not provided any material non-audit services. Fees incurred with KPMG LLP for audit and non-audit services for the last two fiscal years, are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2023	Fees Paid to Auditor in Year Ended December 31, 2022
Audit Fees(1)	$661,497	$294,500
Audit-Related Fees(2)	$86,885	$9,000
Tax Fees(3)	$2,061	$63,000
All Other Fees(4)	$4,200	-
Total	$754,643	$366,500

Notes:

(1) "**Audit Fees**" refer to the aggregate fees billed by the Company's external auditor for audit services, including fees incurred in relation to quarterly reviews, procedures in connection with securities filings, and statutory audits.

(2) "**Audit-Related Fees**" refer to the aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under Audit Fees..

(3) "**Tax Fees**" refer to the aggregate fees billed for the professional services rendered by the Company's external auditor for tax compliance.

(4) "**All Other Fees**" refers to the aggregate fees billed for products and services provided by the Company's external auditor, other than the services reported under (1), (2), and (3), above.

ITEM 17: ADDITIONAL INFORMATION

Additional information relating to the Company can be found on the Company's profile on SEDAR+ at https://www.sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's management information circular of the Company for its more recent annual meeting of securityholders and can be found on the Company's profile on SEDAR+ at https://www.sedarplus.ca. Additional financial information is provided in the Company's audited financial statements and management's discussion and analysis for the financial year ended December 31, 2023.

SCHEDULE A

AUDIT COMMITTEE CHARTER

Purpose and Authority

The overall purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Andean Precious Metals Corp. ("**Andean**" and /or the "**Company**") is to assist the Board in fulfilling its oversight responsibilities with respect to accounting, auditing, financial reporting and internal control processes by, among other things: (i) ensuring the integrity of the financial statements and financial reporting of the Company, (ii) overseeing compliance with related legal and regulatory requirements, (iii) ensuring the overall adequacy and maintenance of the systems of internal controls and disclosure controls and procedures that management has established, and (iv) maintaining overall responsibility for the Company's external and internal audit processes, including the external auditor's qualifications, independence and performance.

The Committee shall have access to such officers and employees of the Company, its external auditor and its legal counsel and to all such information respecting the Company as the Committee considers to be necessary or desirable in order to perform its duties and responsibilities. In addition, the Committee shall have the authority and funding to retain independent legal, accounting and other consultants to advise the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisors retained by the Committee and to the external auditor engaged by the Company for the purpose of rendering or issuing an audit report or performing any other audit, review or attestation services and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall be accountable to the Board. In the course of fulfilling its responsibilities, the Committee shall maintain open communication between the Company's external auditor and the Board and shall have direct access to the external and internal auditors.

The Committee has the duty to review and ensure that the Company's financial disclosures are complete and accurate, are in accordance with applicable laws and generally accepted accounting principles and fairly present the financial position and associated risks of the organization. The Committee should, where it deems appropriate, review compliance with laws and regulations and the Company's own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

Composition

- The Committee shall be composed of three or more directors as shall be designated by the Board from time to time.

- Each member of the Committee shall be "independent" and financially literate (as such terms are defined under applicable securities laws and exchange requirements for audit committee purposes). Each member of the Committee shall be able to read and understand the Company's financial statements, including the Company's statement of financial position, income statement and cash flow statement and any other applicable statements or notes to the financial statements.

- Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders' meeting. Each member shall serve until his/her successor is appointed unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Company. Any member may be removed or replaced at any time by the Board.

- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by a vote of a majority of the Board.

- The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be an independent director (as described above).

- If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.

- The Committee shall appoint a secretary (the "Secretary") who need not be a member of the Committee or a director of the Company. The Secretary shall keep minutes of the meetings of the Committee. This role is normally filled by the Secretary of the Company.

Meetings

- The Committee shall meet regularly and at least on a quarterly basis and otherwise as necessary. The Committee shall hold in camera sessions without the presence of management at each meeting (unless the members of the Committee determine that such a session is not required).

- The Chair or any two members of the Committee may call a meeting of the Committee. At the request of the external auditor, the internal auditor, the Chair of the Board, the President and Chief Executive Officer ("CEO") or the Chief Financial Officer ("CFO") of the Company, the Chair of the Committee will convene a meeting of the Committee. In advance of every meeting of the Committee, the Chair, with the assistance of the CFO, will ensure that the agenda and meeting materials are distributed in a timely manner.

- The CEO and the CFO will receive notice of and, unless otherwise determined by the Chair, shall attend all meetings of the Committee.

- The external auditor of the Company must be given reasonable notice of and has the right to appear before and to be heard at, each meeting of the Committee, and must appear before the Committee when requested to do so by the Committee and after being given reasonable notice to do so.

Duties and Responsibilities

The Committee shall take charge of all responsibilities imparted on an audit committee of a public Company, as they may apply from time to time to the Company, under applicable laws and stock exchange requirements and any other requirements of applicable regulatory and professional bodies. The duties and responsibilities of the Committee include the following:

Financial Reporting and Disclosure

a. Review and discuss with management and the external auditor at the completion of the annual examination:
    i. the Company's audited financial statements and related notes;
    ii. the external auditor's audit of the financial statements their report;
    iii. any significant changes required in the external auditor's audit plan;
    iv. any serious difficulties or disputes with management encountered during the course of the audit; and
    v. other matters related to the conduct of the audit which are to be communicated to the Committee under IFRS.

b. Review and discuss with management and the external auditor during and at the completion of any review engagement or other examination, the Company's quarterly financial statements.

c. Review and discuss with management, prior to their public disclosure, the annual reports, quarterly reports, Management's Discussion and Analyses ("AIF"), earnings press releases and any other material disclosure documents containing or incorporating by reference audited or unaudited financial information of the Company and, if thought advisable, provide its recommendations on such documents to the Board.

d. Review and discuss with management any guidance being provided to shareholders on the expected earnings (including any future-oriented financial information or financial outlooks) of the Company and, if thought advisable, provide its recommendations on such documents to the Board.

e. Inquire of the auditors regarding the quality and acceptability of the Company's accounting principles and estimates, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.

f. Review the Company's compliance with any policies and reports received from regulators. Discuss with management and the external auditor the effect on the Company's financial statements of significant regulatory initiatives.

g. Meet with the external auditor and management in separate executive sessions, as necessary or appropriate, to discuss any matters that the Committee or any of these groups believe should be discussed privately with the Committee.

h. Ensure that management has the proper and adequate systems and procedures in place for the preparation and review of the Company's financial statements, financial reports and other financial information, including all Corporation disclosure of financial information extracted or derived from the Company's financial statements, and that they satisfy all legal and regulatory requirements. The Committee shall periodically assess the adequacy of such procedures.

i. Review with the Company's counsel, management and the external auditor any legal or regulatory matter, including reports or correspondence, which could have a material impact on the Company's financial statements or related compliance policies.

j. Based on discussions with the external auditor concerning the audit, the financial statement review and such other matters as the Committee deems appropriate, recommend to the Board the public filing of the audited annual and unaudited quarterly financial statements and AIF and the inclusion of the audited financial statements in the Company's Annual Report, in accordance with applicable laws.

External Auditor

a. Be responsible for overseeing and recommending to the Board (subject to the approval of the shareholders, where required) the appointment of the Company's external auditor and for the compensation, retention and oversight of the work of the external auditor engaged by the Company. The external auditor shall report directly to the Committee. The Committee shall be responsible for resolving disagreements, if any, between management and the external auditor regarding financial reporting.

b. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor and the related engagement letter and recommend approval of same to the Board.

c. Confirm with the external auditor and receive written confirmation at least once per year as to the external auditor's internal processes and quality control and disclosure of any investigations or government enquiries, reviews or investigations of the external auditor.

d. Take reasonable steps to confirm at least annually the independence of the external auditor, which shall include:

i. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with IFRS, and determine that they satisfy the requirements of all applicable laws;

ii. considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor; and

iii. approving in advance any audit or permissible non-audit related services provided by the external auditor to the Company with a view to ensuring the independence of the external auditor, and in accordance with any applicable requirements of regulatory or professional bodies, including the requirements of all applicable securities laws with respect to approval of non-audit related services performed by the external auditor. Non-audit services of up to US$25,000 (and up to a cumulative amount of US$75,000 in a calendar year) may be pre-approved by the Chair of the Committee and ratified at the next Committee meeting.

e. Approve the lead audit partner for the Company's external auditor, confirm that such lead partner has not performed audit services for the Company for more than five previous fiscal years, and otherwise ensure the rotation of the lead partner and other partners in accordance with all applicable laws and requirements of regulatory and professional bodies.

f. Periodically review the performance of the Company's external auditor and provide feedback to the extent deemed appropriate.

g. Review and approve the Company's hiring policies regarding partners, employees and former employees of the present and former external auditor of the Company.

Internal Controls and Audit

a. Review and assess the adequacy and effectiveness of the Company's systems of internal controls, disclosure controls and procedures and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to identify and assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected and mitigated.

b. Assess the requirement for the appointment of an internal auditor for the Company and, if the appointment of an internal auditor is deemed appropriate, be responsible for (i) approving the appointment and removal of such internal auditor, and (ii) if deemed appropriate, establishing a position description for such internal auditor.

c. Review and approve the annual internal audit plan, and review on a periodic basis progress in executing the plan, significant changes to the plan, significant internal audit findings (including related to the adequacy of internal controls over financial reporting) and any significant internal fraud risks.

d. Review disclosures made to the Committee by the CEO and CFO during their certification process required under applicable securities laws. Review any material weaknesses or significant deficiencies in the design and operation of internal controls over financial reporting or disclosure controls and procedures and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Financial Risk Management

a. Oversee, monitor and ensure that the principal areas of risk associated with the Company's accounting, auditing, financial reporting and internal control processes are identified and that plans and processes are in place to manage or mitigate these risks.

b. Review and report to the Board regarding the structure and adequacy of the Company's insurance programs and related policies, having regard to the Company's business and insurable risks.

General

a. Unless otherwise delegated to another committee by the Board, conduct an ongoing review of any transaction now in effect, and review and approve in advance any proposed transaction, that could be within the scope of "related party transactions" as such term is defined in applicable securities laws, and establish appropriate procedures to receive material information about and prior notice of any such transaction.

b. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, including under the Company's Whistleblower Policy.

c. Conduct or authorize investigations into any matter within the scope of this Charter, including any complaints or concerns raised under the Company's Whistleblower Policy. The Committee may request that any officer or employee of the Company, its external legal counsel or its external auditor attend a meeting of the Committee or meet with any member(s) of the Committee.

d. Oversee cyber security and information technology infrastructure and programs.

e. Review the qualifications of the senior accounting and financial personnel.

f. Provide oversight of the Company's policies, procedures and practices with respect to the maintenance of the books, records and accounts, and the filing of reports, by the Company with respect to third party payments in compliance with all applicable anti-bribery or anti-corruption laws, including the Foreign Corrupt Practices Act (United States), Corruption of Foreign Public Officials Act (Canada), the Extractive Sector Transparency Measures Act (Canada) and similar laws.

g. Perform any other activities consistent with this Charter, the Company's Articles and governing law as the Committee or the Board deems necessary or appropriate.

Oversight Function

While the Committee has the responsibilities and powers set out in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of management and the external auditor. The Committee and the Chair and any members of the Committee identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are not specifically accountable or responsible for the day to day operation or performance of such activities. Although the designation of a member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and the Board in the absence of such designation. Rather, the role of a member of the Committee who is identified as having accounting or related financial expertise, like the role of all members of the Committee, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

Chair of the Committee

The duties of the Chair of the Committee are set out in the Board Mandate. In addition to those duties, the Chair of the Committee will:

a. address, or cause to be addressed, all concerns communicated to him or her under the Company's Whistleblower Policy or Code of Business Conduct and Ethics.

Review

This Charter will be reviewed annually by the Committee in consultation with the Corporate Governance and Nominating Committee and any recommended changes will be submitted to the Board for approval.

Reviewed and approved by the Board on July 12, 2023.