

19 September 2024

Successful Placement sets up Andean for aggressive drilling and further resource growth

Firm commitments received for A\$25 million

Key Points

- » Andean has received firm commitments totalling A\$25m via a Placement to institutional and sophisticated investors
- » The Placement was priced at A\$1.05 per share, representing a 10.3% discount to the last sale price of A\$1.17, and a 6.1% premium to the 15-day VWAP
- » The Placement was well supported with strong demand from existing and new domestic and foreign investors, particularly from Northern Hemisphere based groups – applications were subject to significant scale backs
- » Upon completion of the Placement, Andean will have cash of ~A\$32.8m (before costs and the end of month creditor payment run) based on a current cash balance of ~A\$7.8m
- » Existing cash and proceeds from the Placement will be used at the Cerro Bayo Silver Project for Resource conversion activities, ramped-up exploration with four drill rigs (with an option for more) working on brownfield and greenfield targets, working capital and costs of the Placement
- » Next Mineral Resource update planned for the March quarter next year
- » Canaccord Genuity and Euroz Hartleys acted as Joint Lead Managers to the Placement, with SCP Resource Finance acting as a Co-Manager

Andean Chief Executive Officer Tim Laneyrie said:

“The overwhelming demand for the Placement and the quality of investors reflects the outstanding exploration and resource growth outlook at Cerro Bayo.

“In just seven months of ownership, the team has delivered an increase of 66Moz AgEq in Mineral Resources, taking it to 91Moz AgEq. We have also made significant discoveries which remain outside the Mineral Resource Estimate.

“The proceeds of this Placement will mean we can add extra firepower to discovery and Resource conversion with up to four drill rigs on-site over the coming months.

“We remain on target to deliver our next Mineral Resource upgrade in the first quarter next calendar year and look forward to future results from Pegaso 7, Droughtmaster, Cristal and multiple other prospects.

“We have demonstrated the potentially significant scale of Cerro Bayo at a time when the demand for silver is increasing and stockpiles are being drawn to meet the demand in areas such as solar panel construction”.

Andean Silver Limited (ASX: ASL) is pleased to advise that it has received firm commitments from institutional and sophisticated investors to raise A\$25 million (before costs) through the issue of 23,809,524 fully paid ordinary shares in the Company (“Shares”) at an issue price of A\$1.05 per Share (“Placement”).

Use of Funds

Proceeds of the Placement will be utilised for Resource conversion and exploration activities at the Cerro Bayo Silver Project in Chile, general working capital (including transaction costs) and corporate costs. As part of the exploration program, it is the Company’s intention to increase the number of drill rigs on site to four, focussing on brownfield and greenfield targets and Resource conversion.

Placement

The Placement will be conducted using the Company’s existing capacity under ASX Listing Rules 7.1 (12,204,255) and 7.1A (11,605,269) to raise a total of A\$25,000,000, with settlement expected to occur on Wednesday, 25 September 2024.

The issue price represents a discount of 10.3% to the last closing price of A\$1.17 on Monday, 16 September 2024, a premium of 1.5% to the 5-day VWAP of A\$1.034 and a 6.1% premium to the 15-day VWAP of A\$0.989.

Canaccord Genuity (Australia) Limited and Euroz Hartleys Limited acted as Joint Lead Managers and Joint Bookrunners to the Placement, with SCP Resource Finance acting as Co-Manager.

Indicative Timetable*

Event	Time/Date
Announcement of Placement and lodgement of Appendix 3B (prior to commencement of trading)	Thursday, 19 September 2024
Trading Halt lifted	Thursday, 19 September 2024
Settlement of Placement Shares	Wednesday, 25 September 2024
Issue and application for quotation of Placement Shares	Thursday, 26 September 2024

* The above timetable is indicative only. Andean reserves the right to vary dates and times without notice.

-ENDS-

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

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About Andean Silver

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

Compliance Statements

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

Forward Looking Statements

This document contains forward looking statements concerning the Company. Forward-looking statements are not statements of historical fact, and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the Company's beliefs, opinions and estimates of the Company as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of commodities, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents.

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Disclaimers

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To the maximum extent permitted by law, the Company, the Joint Lead Managers and the Co-Manager and their respective related bodies corporate and affiliates, and their respective officers, directors, employees, agents and advisers: (i) disclaim all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any loss (including consequential or contingent loss or damage) arising from this announcement or reliance on anything contained in or omitted from it or otherwise arising in connection with this announcement; (ii) disclaim any obligations or undertaking to release any updates or revision to the information in this announcement to reflect any change in expectations or assumptions; and (iii) do not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness of the information in this announcement or that this announcement contains all material information about the Company, the Placement or that a prospective investor or purchaser may require in evaluating a possible investment in the Company or acquisition of shares in the Company, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

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APPENDIX A – Cerro Bayo Project Mineral Resource Estimate

Mineral Resource Estimate as at 1 September 2024

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

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

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

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

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