ANDEAN SILVER

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

ABN 24 645 578 454

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Exploration

Andean Silver Limited (ASX: ASL) ("Andean" or the "Company") is pleased to report on its activities for the year ending 30 June 2024.

Projects Overview

Andean Silver's flagship, 100%-owned Cerro Bayo Silver-Gold Project is located in the Aysen region of Southern Chile, 10km west of the town of Chile Chico. Andean is also exploring two Projects in Western Australia, with its Pilbara Project located approximately 120km north-west of Newman and Mount Alexander Project approximately 50km north-west of Menzies in the Kalgoorlie Goldfields. Andean also holds the Araluen Project in New South Wales.

Cerro Bayo Silver-Gold Project, Chile

Project Overview

Andean Silver completed its acquisition of 100% of the Cerro Bayo Project, Chile in February 2024, transforming it into a significant silver-gold exploration company ("Acquisition").

Located in the Aysen region of Southern Chile, the Cerro Bayo Project lies on the Western margins of the Deseado Massif. The Deseado Massif hosts world class gold-silver deposits, such as Newmont Corporation's Cerro Negro, and is considered to be one of the premier mining destinations globally, with an endowment of >20Moz of gold and >450Moz of silver.

Figure 1. Cerro Bayo Silver-Gold Project in the Aysen Region of Southern Chile located within the world class mining district of the Deseado Massif.[1]

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Production commenced at the Project in 1996, before going into care and maintenance in October 2022. The Project previously produced over 91Moz AgEq.[2]

As part of the Acquisition, Andean received the 500,000tpa Cerro Bayo flotation plant and mining infrastructure within the Project and a +300km^2 mining claim package, previously operated by Equus Mining Ltd (ASX:EQE).

The mine is located ~5km west of the town of Chile Chico (~4,000 people) and ~200km from the main deep-water port of Puerto Chacabuco, and both are accessible by all-weather roads.

The Cerro Bayo Project is comprised of two distinct main districts separated by ~4km (refer Figure 2):

- the **Cerro Bayo mine complex** ("CBMC") contains the Cerro Bayo mine, and Cascada, Marcella and Raul underground mines, and has historically produced ~48.3Moz AgEq; and
- the **Laguna Verde mine complex** ("LVMC") includes the historic Delia, Dagny, Fabiola, Yasna, Coyita, Temer, Condor and Cristal underground mines, and the historic Taitao open pit, with total historic production of ~43Moz AgEq. The Taitao open pit contains the high-grade Inferred Mineral Resource of 2.9Mt at 171/t AgEq for 15.8Moz AgEq.

Andean Silver also acquired two regional districts; Los Domos and Cerro Diablo. The Cerro Diablo regional permit is located ~20km northwest of the Cerro Bayo Mill and the Los Domos permit is ~50km by road southeast, with high priority walk up drill targets.

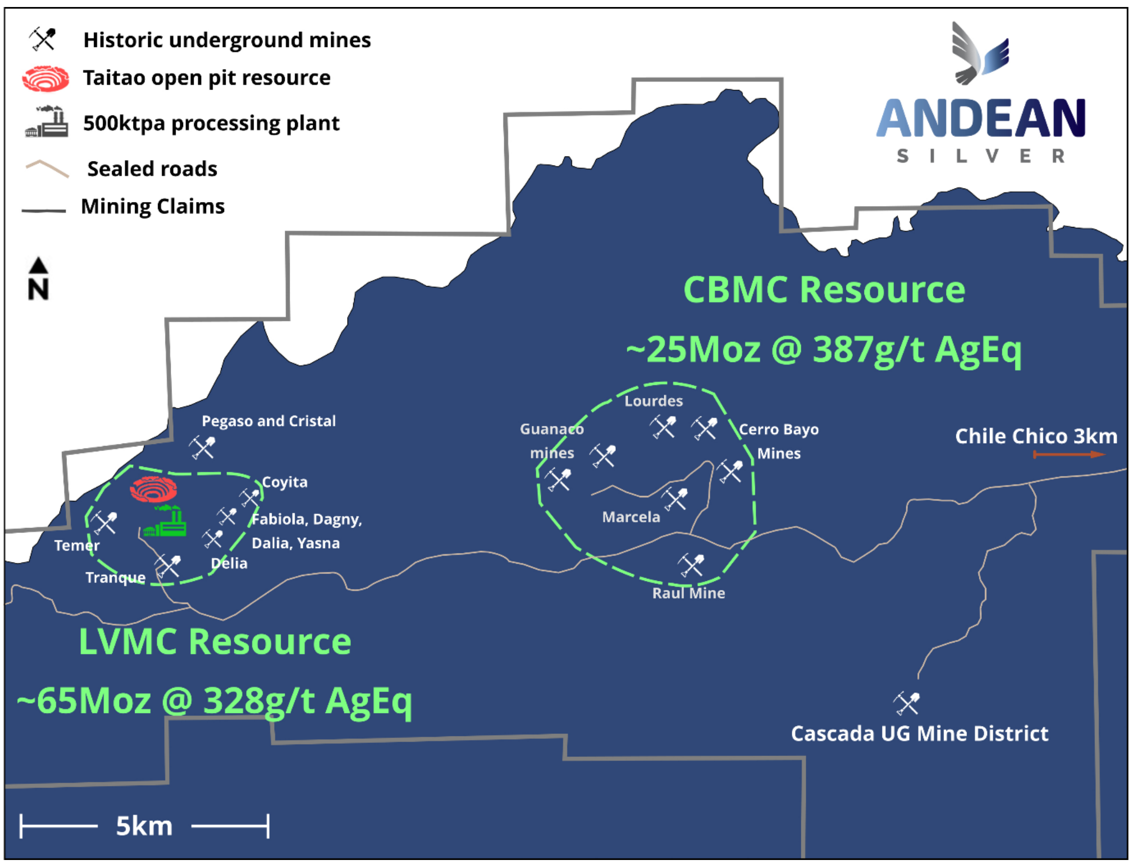

Figure 2. Map highlights location of the Cerro Bayo (CBMC) and Laguna Verde (LVMC) Mine Complexes and current Resources.

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Acquisition Overview

The Acquisition comprised of the purchase of 100% of the Los Domos Project asset and 100% of Equus Resources Pty Ltd, a wholly-owned subsidiary of Equus Mining Limited (ASX:EQE) ("Equus") which owns the Cerro Bayo Project. As part of the Acquisition, the Company also agreed to satisfy Equus' outstanding debt to Equity Trustees Ltd (in its own capacity and in its capacity as trustee of the Tribeca Global Natural Resources Fund) ("Tribeca").

The total consideration for the Acquisition was $5.874m, of which $4.0m was payable upfront ($3.5m in cash and $0.5m in fully paid ordinary shares in Andean) and $0.874m was paid to Equus for ongoing expenses required to maintain the Cerro Bayo Project in good order up until settlement.

Included in the total consideration is $1,000,000 in deferred consideration payable in cash or, at the Company's discretion and subject to shareholders approval, by the of issue fully paid ordinary shares in the capital of the Company based on the 20-day VWAP upon achievement of an Inferred Mineral Resource (as defined in the JORC Code) of not less than 100Moz of silver at a grade of not less than 300g/t AgEq within 5 years from the date of completion.

To support the Acquisition, Andean undertook a two-tranche placement to raise A$8.3m at $0.20 per share.

Infrastructure

The Project boasts existing infrastructure which will be crucial in facilitating exploration and enabling a cost-efficient mine restart.

Underpinning the site is a fully operational 500,000t per annum Ag-Au float plant, historically achieving recovery rates exceeding 90% silver and gold. The site is further bolstered by a comprehensive power network with surplus capacity as well as 800l/s water rights.

Figure 3. Ball mill and rougher/cleaner/scavenger units in mill.

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The site features extensive infrastructure, including a mine and administration office complex, vehicle workshops and stocked warehouses. Underground, it has modern refuge chambers, ventilation, electrical installations, water pumping systems, and surface power connections.

The mine also boasts a fully functional, audited laboratory with new drying ovens and an AAS analysis system. The core logging and sampling facility supports multiple drill rigs and can process over 800 meters of core at a time.

Geology

The Cerro Bayo mine is characterised as a high-grade, low sulphidation epithermal (LSE) silver-gold deposit located in the Deseado Massif Jurassic Belt. The mining area is made up of several high-grade veins that outcrop at surface and are considered to represent the bonanza boiling zones of the LSE system, where the paleo surface has been eroded.

The veins have previously been drilled on average to <250m below surface, revealing strike lengths of 200m to 2km long and widths of 0.5m to 3m. Typical diluted mined grades of these systems were 450g/t AgEq. Beyond the existing mines, vein discovery has been more sporadic, largely due to increased topography and the greater depth required to reach these bonanza zones.

Resource Updates

In March 2024, Andean announced the JORC 2012-compliant Resource at its Cerro Bayo Silver-Gold Project in the southern region of Chile had doubled to 50.2Moz at 311g/t silver-equivalent.

The updated Resource estimate reflected a review of the existing drilling data, including a significant re-sample/re-logging campaign at the Delia vein. It also utilised existing underground drive mapping and assay data and has been independently audited.

The update included the addition of the high-grade Delia South, Trinidad and Coyita underground Resources, which total 1.2Mt at 655g/t AgEq (7.9g/t AuEq) for 25.4Moz AgEq.

Subsequent to the end the financial year ended 30 June 2024, in September 2024 Andean announced that the JORC 2012-compliant Resource had been expanded more than 80% to 8.3Mt at 342g/t AgEq for 91Moz AgEq. Refer to the Mineral Resource Estimate on page 15 of this report.

Laguna Verde Mining District

During the March 2024 quarter, the Company commenced its first drilling campaign with local drilling contractor Major Drilling mobilised to site. The campaign was aimed at growing the Resources at high priority targets nearby to the processing plant, including Pegaso 7, Cristal and extensions of the known high-grade Resources at Taitao, Coyita and Delia. As a result, the Company subsequently identified a large area of high-grade mineralisation which was located well-outside of the existing Mineral Resource Estimate.

Located 2km from the processing plant, the Pegaso 7 prospect returned assays that outlined a mineralised area of 600m along strike to a depth of 300m. Additionally, strong veining structures which are identical to those which host the mineralisation in these assays, continue 1km along strike, and the mineralised area remains open in all directions.

Assays from Pegaso 7 include:

- **5.85m @ 807g/t AgEq** (351.6g/t Ag & 5.5g/t Au)
  - Inc. 0.9m @ 4,649g/t AgEq (2,107g/t Ag and 30.6g/t Au);
- **1.6m @ 642g/t AgEq** (601.6g/t Ag & 0.5g/t Au)
  - Inc. 0.75m @ 1,093g/t AgEq (1,085t Ag & 0.1g/t Au);
- **3.1m @ 332g/t AgEq** (192g/t Ag & 1.7g/t Au)
  - Inc. 0.8m @ 589g/t AgEq (391g/t Ag & 2.4g/t Au);

- **2.2m @ 237g/t AgEq** (71.5g/t Ag & 2.0g/t Au)
  - Inc. 0.3m @ 1,654g/t AgEq (401g/t Ag & 15.1g/t Au);
- **5.7m @ 220g/t AgEq** (142g/t Ag & 0.9g/t Au); and
- **14.9m @ 72g/t AgEq** (45.3g/t Ag & 0.31g/t Au)
  - Inc. 3m @ 214g/t AgEq (142g/t Ag & 0.3g/t Au).

The exploration team also integrated more than 30 years of geological data to determine future drilling targets that have not yet been explored using modern methods.

Historic assays from Pegaso 7 include:

- **1.1m @ 13,218g/t AgEq** (5,291g/t Ag & 95.5g/t Au);
- **2.6m @ 1,699g/t AgEq** (1,427g/t Ag & 3.3g/t Au); and
- **1.4m @ 721g/t AgEq** (553g/t Ag & 2g/t Au).

Further ongoing work at Pegaso 7 will involve:

- Testing the potential for future open pit resources
- Planning a second phase of drilling to test extensions of intercepts from historic drillholes
- Planning an infill drilling campaign to support a future maiden Mineral Resource Estimate in early March quarter 2025

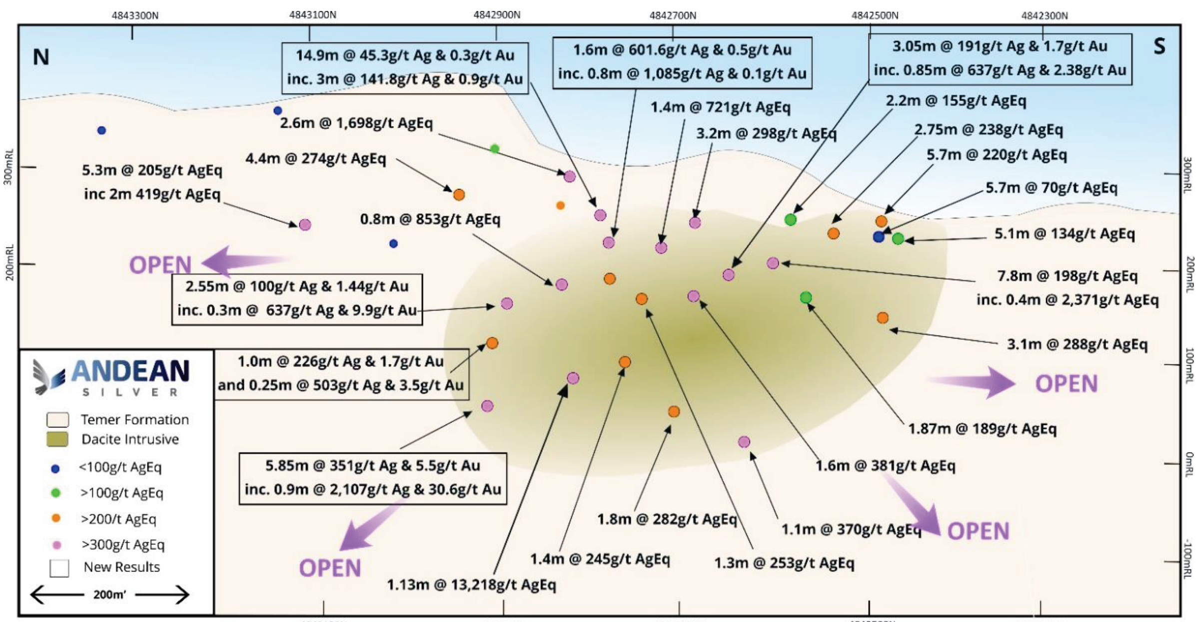

Figure 4. +50Moz Laguna Verde silver district with multiple high-grade silver mineralised swarms, including Pegaso 7, targeted for drill testing (part of the Cerro Bayo Project). Refer to ASX release dated 18/07/2024.

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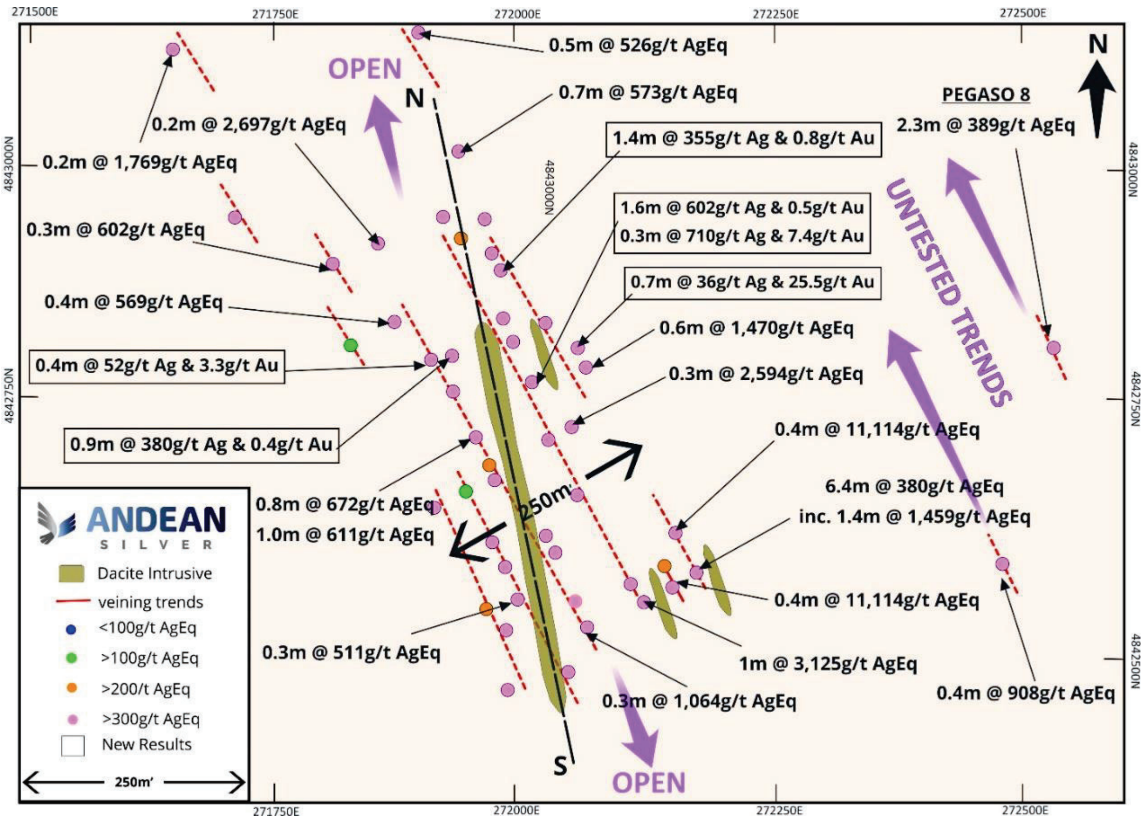

Figure 5. Multiple high grade silver lodes at the Pegaso 7 prospect within a 250m wide mineralised corridor intersecting the Dacite dome that extends for at least 1,000m on surface. Refer ASX release dated 18/07/2024.

Cerro Bayo District

Cristal Vein

Starting in March 2024, the Andean exploration team conducted a thorough review of historically underexplored areas at the Cerro Bayo Project. This work led to the discovery of the Central Cristal vein corridor, situated within ~1.5km from the processing facility, demonstrating the immense prospectivity of the Laguna Verde district.

In March, Andean released exceptional rock chip and channel sample results at the Cristal Vein, which are summarised below:

Rock chip results include:

- 39,481g/t AgEq (32,849g/t Ag & 79.9g/t Au);
- 31,342g/t AgEq (6,557g/t Ag & 298.6g/t Au);
- 21,130g/t AgEq (12,988g/t Ag & 98.1g/t Au);
- 17,614g/t AgEq (3,903g/t Ag & 165.2g/t Au);
- 12,186g/t AgEq (6,409g/t Ag & 69.5g/t Au); and
- 11,484g/t AgEq (6,913g/t Ag & 50.7g/t Au).

Channel sample results include:

- 0.5m @ 19,856g/t AgEq (1,442g/t Ag & 221.9g/t Au);
- 0.6m @ 11,965g/t AgEq (1,967g/t Ag & 120.5g/t Au);
- 0.3m @ 11,261g/t AgEq (9,205g/t Ag & 24.8g/t Au);
- 0.3m @ 6,810g/t AgEq (3,413g/t Ag & 40.9g/t Au);
- 1.0m @ 6,345g/t AgEq (4,750g/t Ag & 19.2g/t Au); and
- 0.8m @ 5,782g/t AgEq (4,268g/t Ag & 18.2g/t Au).

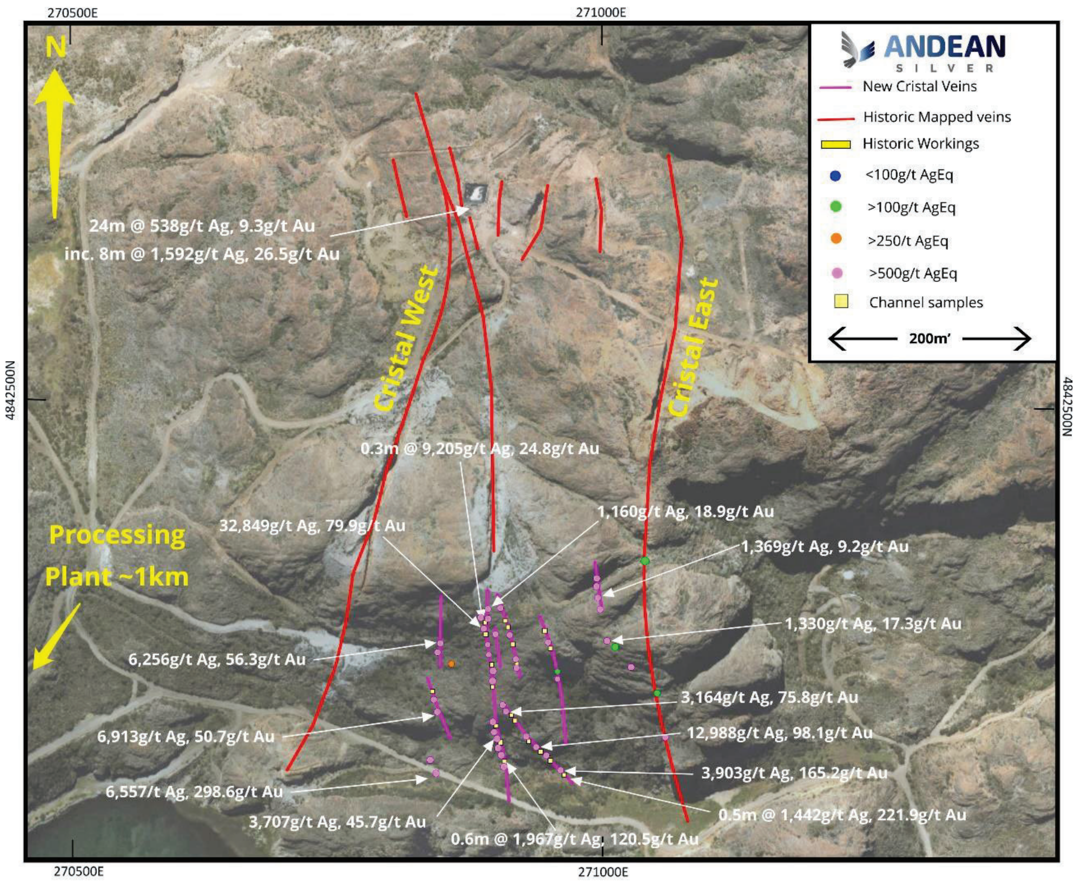

Figure 6. Multiple veins discovered at the Cristal Central prospect within a mineralised corridor over a distance of ~300m strike. Refer ASX release dated 26/03/2024.

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Guanaco Prospect

Furthering the success across the Project, Andean discovered another swarm of silver-gold veins which form part of the Guanaco Prospect in the broader Cerro Bayo mine complex.

The veins are located around 7km east of the processing facility at Laguna Verde, proximal to the existing underground and open pit mining area, which has undergone minimal systemic exploration over the past 20 years.

The Company expects that the district will yield several prospective targets for a broad drilling campaign to take place over the next financial year.

Significant rock chip results from this area include:

- 10,466g/t AgEq (6,186g/t Ag & 51.6g/t Au);
- 9,583g/t AgEq (1,672g/t Ag & 95.3g/t Au);
- 6,401g/t AgEq (1,404g/t Ag & 60.2g/t Au); and
- 4,642g/t AgEq (3,055g/t Ag & 19.1g/t Au).

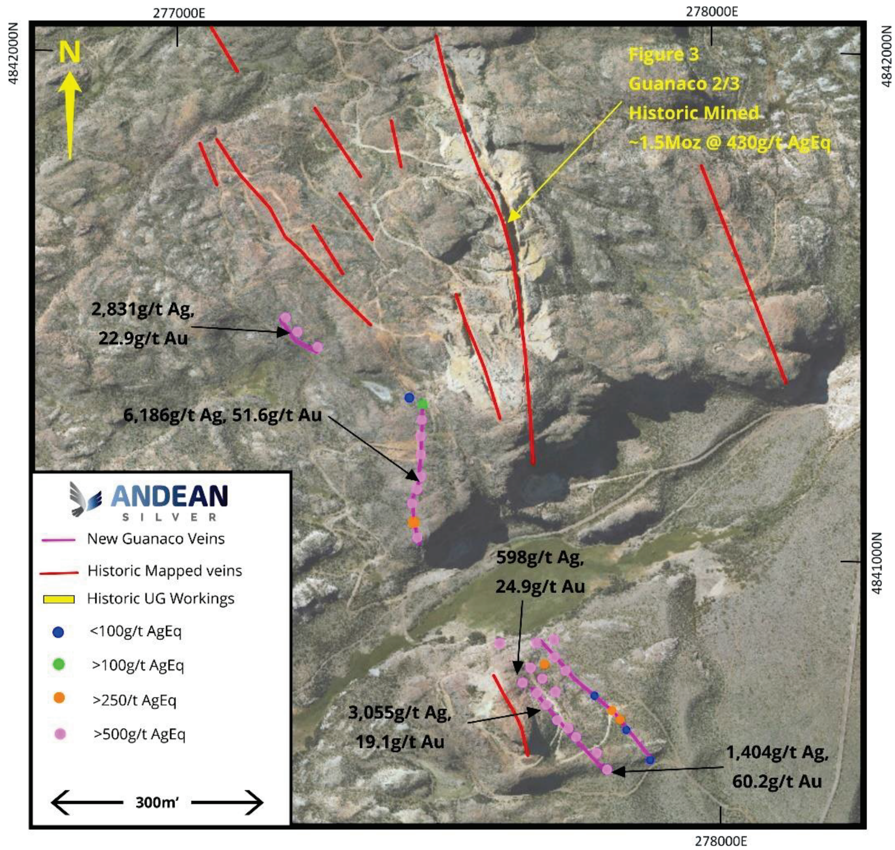

Figure 7. Secondary NW vein orientation discovered at the Guanaco prospect, veins remain untested. Refer ASX release dated 30/05/2024.

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Environmental and Social

Andean received a non-compliance notice from a Chilean regulatory authority regarding historical activities from previous owners which occurred over the care and maintenance period. In response, Andean submitted an extensive compliance plan to ensure the matters raised in the notice are resolved.

Andean Silver is committed to proceeding with operations at Cerro Bayo in compliance with all regulatory requirements and standards in conjunction with the relevant regulatory bodies. Support within the local community of Chile Chico towards increased exploration and future operational restart has been overwhelmingly positive and has extended through local, district and governmental groups.

Andean is continuing to increase its presence within the community and the region and has recently supported the preservation of local Heritage sites west of the mine and supplied and installed new pumping infrastructure for drinking water to local communities.

During the year Andean was offered a seat on the Aysen regional development council guiding infrastructure and other initiatives to promote economic growth in the region.

12 Month Strategy and News Flow

Andean is currently focused on building on the Mineral Resource Estimate, near mine extensional drilling targets and greenfields opportunities that have been defined at Cerro Bayo. This includes continued evaluation of historic information to improve the Mineral Resource Estimate, as well as the integration of current drilling into future Resource updates.

An aggressive drilling program is being undertaken by the Company in addition to ongoing exploration over the 300km^2 of granted tenure to develop a promising project pipeline.

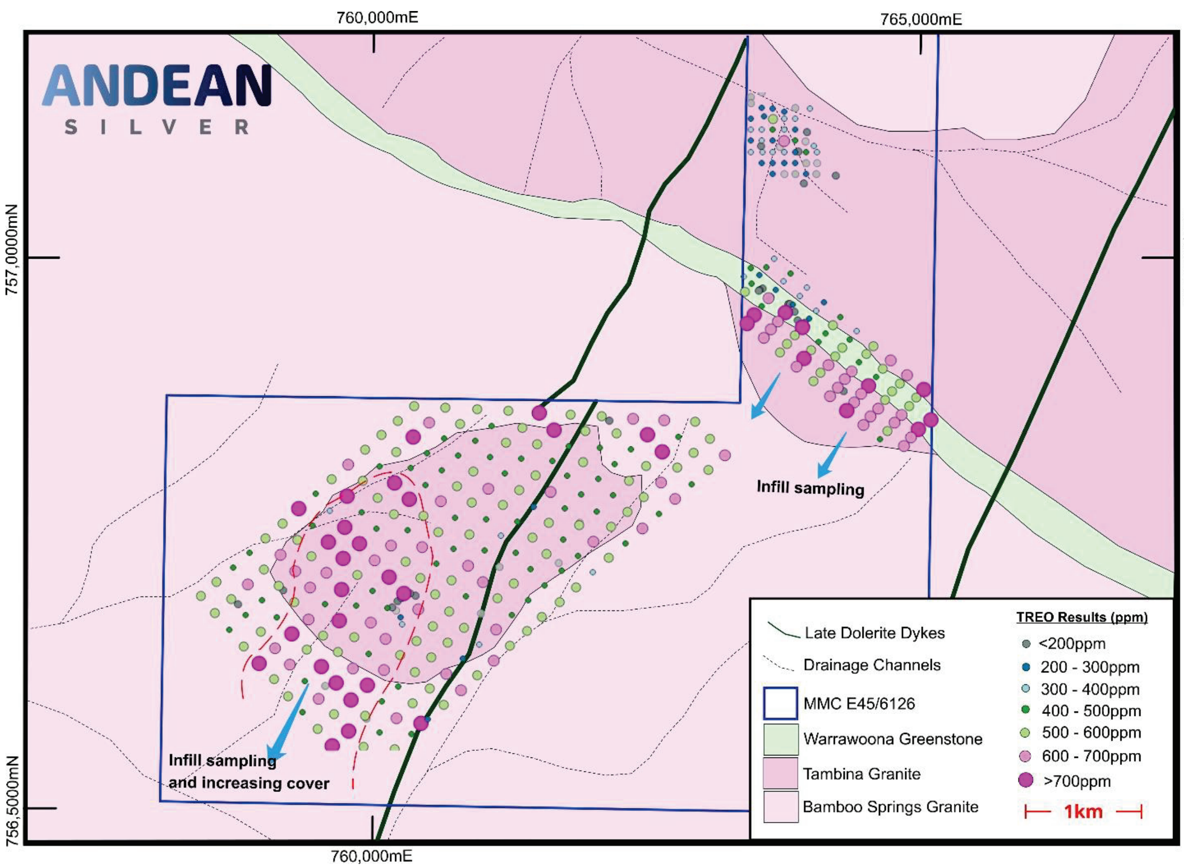
Table 1: High velocity of news flow over coming 12 months.

WA Projects

Pilbara Project Exploration

A maiden soil sampling campaign over the 100%-owned Pilbara project demonstrated the potential of the district with extensive overlapping zones of rare earth minerals, with results including 935ppm Total Rare Earth Oxide (TREO) within a very consistent >500ppm anomalous zone that extends over 5km x 2.4km. Multiple strong lithium anomalies were also detected, including a very large and consistent anomaly measuring 2.5km x 2km with results such as 477ppm Li_2O and key overlapping lithium indicators (Cs-Be-Rb-Nb-Ta).

The enrichment is believed to represent a mixed eluvial/placer style REE deposit which is formed from the weathering of the underlaying granite and accumulation of heavy minerals (typically Monazite and Xenotime) and Rare Earths in the residual alluvial flood plain fans over time.



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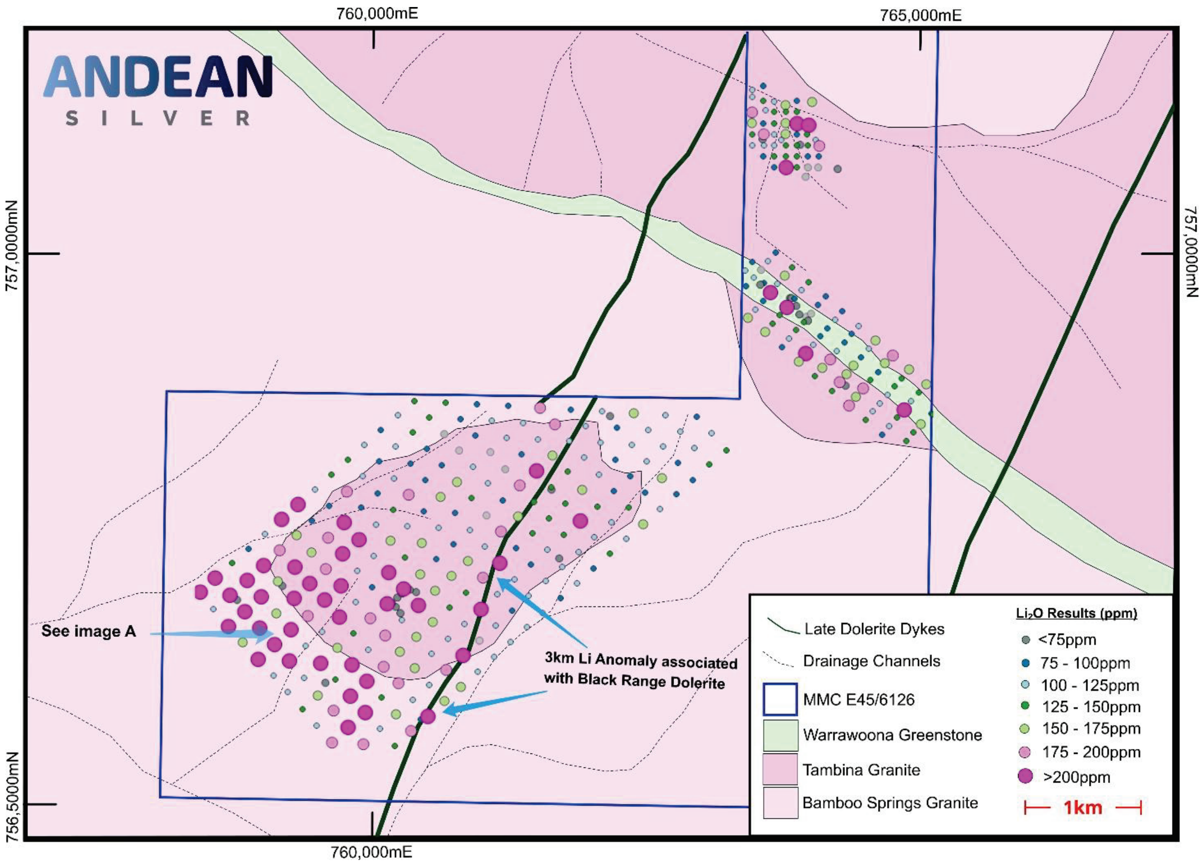

Figures 8 and 9. Rare Earth and Lithium soil anomalism within the 100% owned Pilbara project. Refer ASX release dated 18/12/2023.

Mount Alexander and View Hill Projects

During the June 2024 quarter, the Company had additional tenure granted (E36/1080) west of Leonora known as the View Hill Project, which covers a NW/SE trending dolerite unit that showed early prospectivity for layered intrusive style mineralisation including V-Ti and Ni-Cu-PGE as well as Lithium and Rare Earths.

The Company (via its wholly-owned subsidiary Bellpark Minerals Pty Ltd ("Bellpark")) has entered into an agreement with Western Yilgarn NL (ASX: WYX) to grant WYX the right to earn into the View Hill Project, along with the Mt Alexander project, over a 2-year period. The key terms of the binding farm-in and joint venture agreement are summarised below:

- WYX has the exclusive right to earn a 95% interest in E36/1080 and E29/1167 during a two-year period by sole funding $120,000 on exploration expenditure on the tenements;
- Bellpark (or its nominee) will receive 1 million ordinary shares in WYX escrowed for 12 months from the date of issue;
- WYX may withdraw from the farm-in on 30 days' written notice, provided that is has met the minimum expenditure requirements on the tenements (or a portion thereof) to the date of withdrawal;
- Upon completion of the farm-in, the parties will form an unincorporated joint venture with WYX as manager and the parties may contribute their pro rata share of expenditure or be diluted according to standard dilution provisions unless Bellpark elects at that time to convert its participating interest to a 1.5% net smelter return (NSR) royalty on production of minerals from tenements; and

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- Dilution of a party's interest in the tenements below 5% results in the withdrawal of that party from the joint venture and conversion to a 1.5% NSR royalty from production of minerals from the tenements.

NSW Projects

During the quarter, the Bateman Bay project was dropped after initial field work showed limited potential for discovery of targeted commodities and difficulties experienced in gaining access to ground within the project area.

The Araluen tenure continues to be evaluated with land access agreements being negotiated over key land packages within the tenure.

End Notes

1. For Resources and Reserves of: San Jose, refer to Hochschild's 2023 annual report; Cerro Negro, refer to Newmont's ASX release dated 22/02/2024 and titled "PR as issued – 2023 Reserves and Resources"; Cerro Moro and Manatial Espejo, refer to Pan American Silver Corp's TSX release dated 11/09/2024 and titled "Pan American Silver Reports Mineral Reserves and Mineral Resources as at June 30, 2024"; Cerro Vanguardia, refer to Anglogold Ashanti's 2023 Mineral Resource and Mineral Reserve Report; Tranquilo Project, refer to Patagonia Gold's website (patagoniagold.com/operations/mineral-resources-andmineral-reserves/);
2. Couer/Mandalay production reconciliations from 2002-2017 total ~7.3Mt @ 201g/t Ag, 2.9g/t Au for 47Moz Ag and 678koz Au (~100Moz AgEq @ 83:1 ratio).

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Disclaimers

References to "JORC compliant" in this announcement refer to instances where the mineral resource estimate has been reported in accordance with the JORC Code.

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Forward Looking Statements

This report 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 report 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.

Readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. No representation, warranty or undertaking, express or implied, is given or made by the Company that the occurrence of the events expressed or implied in any forward-looking statements in this release will actually occur.

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Governance

Reporting of Mineral Resource Estimates has been compiled in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") and Chapter 5 of the ASX Listing Rules. The JORC Code is a set of minimum standards, recommendations and guidelines for public reporting of Exploration Results, Mineral Resources and Ore Reserves, as defined by the Joint Ore Reserves Committee ("JORC").

The Company has governance processes in place to manage the Mineral Resource Estimates. All Mineral Resource estimates are prepared by qualified professionals in accordance with JORC Code processes to ensure the estimates are based on representative and unbiased samples obtained with appropriate QA/QC in place.

The Mineral Resource Estimates quoted below have been estimated by Mr Timothy Laneyrie and are periodically peer reviewed by both internal personnel and external consultants. The Company engaged independent experts (Cube Consulting and Brian Wolfe) to review the Mineral Resource Estimates and methodology in the March 2024 and September 2024 resource updates.

Resource Updates

At point of Acquisition by Andean, the Cerro Bayo Project included existing JORC Inferred Resources of 3.82Mt @ 206g/t AgEq for 25Moz AgEq within the Taitao open and underground area.

During and after the financial year ended 30 June 2024 the Mineral Resource Estimate was updated on the following occasions:

12 March 2024

In March 2024 the Mineral Resource Estimate was updated (refer ASX release dated 12 March 2024) to 5.03Mt @ 311g/t AgEq for 50.2Moz AgEq. The updated Resource estimate reflected a review of the existing drilling data, including a significant re-sample/re-logging campaign at the Delia vein. It also utilised existing underground drive mapping and assay data and was independently audited by Brian Wolfe from Perth-based International Resource Solutions Pty Ltd.

16 September 2024

The Mineral Resource Estimate update in September 2024 (refer ASX release dated 16 September 2024) to 8.2Mt @ 342g/t AgEq for 90.7Moz was made based on information and drilling within the Laguna Verde Mine Complex as well and the Cerro Bayo Mine Complex. Updates to the Resource included the re-evaluation and integration of previous drill data, historic production records, mine mapping and NI 43-101 estimates.

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Current Mineral Resource Estimate

The latest Mineral Resource Estimate as at 1 September 2024, which was released on 16 September 2024, is presented in the table below:

Mineral Resource Estimate as at 1 September 2024

	Indicated								
Area	**Tonnes (Mt)**	**Ag Grade (g/t)**	**Au Grade (g/t)**	**Silver (Moz)**	**Gold (koz)**	**AgEq (g/t)**	**AgEq (Moz)**	**AuEq (g/t)**	**AuEq (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**		

	Inferred								
Area	**Tonnes (Mt)**	**Ag Grade (g/t)**	**Au Grade (g/t)**	**Silver (Moz)**	**Gold (koz)**	**AgEq (g/t)**	**AgEq (Moz)**	**AuEq (g/t)**	**AuEq (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**

Notes:

1. Mineral Resources that are not Ore Reserves have not demonstrated economic viability and an Inferred Mineral Resource carries a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
2. LVMC means Laguna Verde Mine Complex; CBMC means Cerro Bayo Mine Complex; UG means underground and OP means open pit.
3. Open pit resources are reported to a cut-off grade of 65g/t AgEq.
4. 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.
5. 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.
6. Silver equivalents are calculated using the equation AgEq = Ag(g/t) + (83 x 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.
7. Bulk Density of 2.63g/cm3 has been applied to veins and 2.57g/cm3 has been applied to stockwork and waste domains.
8. 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.
9. Numbers may not add due to rounding.

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ANDEAN SILVER

Classification

The current Mineral Resource Estimate has been classified in accordance with guidelines contained in the JORC Code (2012). This classification is based on assessment and understanding of the deposit style, geological and grade continuity, drill-hole spacing, input data quality (including drill collar surveys and bulk density).

The Mineral Resource Estimate was classified as Indicated and Inferred, accounting for the level of geological understanding of the deposit, quality of samples, density data, drill-hole spacing and sampling, analytical and metallurgical processes. Material classified as Indicated represents data and information density which supports a high degree of confidence in both geological and grade continuity. Material classified as Inferred was considered sufficiently informed by geological and sampling data to imply geological, grade and quality continuity between data points.

The classification reflects the level of data available for the estimate, including input drill-hole data spacing, available historic information, and high level of confidence in geological continuity and relevant age of the data for this particular style of deposit.

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Tim Laneyrie, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tim Laneyrie is employed full-time by the Company as Chief Executive Officer and holds performance rights and shares in the Company. Mr Laneyrie has sufficient experience that is relevant to the styles of mineralisation and the types of deposits under consideration, and to the activities being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (**JORC**) 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Laneyrie consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Metal equivalents have been calculated at a silver price of US$23/oz and gold price of US$1,900/oz. Individual grades for the metals are set out in the table above. Silver equivalent was calculated based on the formula AgEq(g/t) = Ag(g/t) + (83 x Au(g/t). Gold equivalent was calculated based on the formula AuEq(g/t) = Au(g/t) + (Ag(g/t) / 83). Metallurgical recoveries for gold and silver are closely linked and are typically 90-93% 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.

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The Directors submit their report together with the consolidated financial statements of Andean Silver Limited ("Company" or "Andean"), formerly Mitre Mining Corporation Limited, and the entities it controlled ("Group") for the year ended 30 June 2024.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

'*Current listed directorships'* quoted below are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former ASX listed directorships in the last three years' quoted below are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Mr Raymond Shorrocks	
Position	Non-Executive Chairman
Qualifications	BA (Hons), MBA (Finance)
Appointment date	1 April 2023 (previously Interim Executive Director from 1 April 2023 to 17 April 2024)
Resignation date	N/A
Length of service	1 year and 6 months
Biography	Ray Shorrocks has more than 30 years' experience in corporate finance in the mining sector and has advised a diverse range of resources companies during his career at one of Australia's largest investment banking and stockbroking/financial services firms. He has been instrumental in managing and structuring equity capital raisings as well as having advised extensively in the area of mergers and acquisitions. Mr Shorrocks has worked on mines in South Africa, Africa, Australia and North and South America.
Current listed directorships	Galilee Energy Limited (ASX: GLL) - 2 December 2013 to present Alicanto Minerals Limited (ASX: AQI) - 7 August 2020 to present Cygnus Metals Limited (ASX: CY5) - 30 June 2020 to present Hydrocarbon Dynamics Ltd (ASX: HCD) - 12 January 2016 to present
Former ASX listed directorships in the last three years	FireFly Metals Limited (ASX FFM) – 28 January 2020 to 19 March 2024
Interests in shares	757,143
Interest in options	None
Interest in performance rights	3,500,000

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DIRECTORS (CONTINUED)

Mr Patrick Gowans	
Position	Non-Executive Director
Qualifications	LLB, BA
Appointment date	1 April 2021 (previously Non-Executive Chairman from 1 April 2021 to 17 April 2024)
Resignation date	N/A
Length of service	3 years and 6 months
Biography	Patrick Gowans is a partner of QR Lawyers, a Melbourne law firm. Patrick has over 15 years' experience in corporate and commercial law with a focus on equity capital markets, ASX compliance and corporate governance which includes advising a number of ASX listed mining exploration entities.
Current listed directorships	None
Former ASX listed directorships in the last three years	None
Interests in shares	605,158
Interest in options	500,000
Interest in performance rights	300,000

Mr Carl Travaglini	
Position	Non-Executive Director
Qualifications	CA, ACG (CS)
Appointment date	1 October 2023
Resignation date	N/A
Length of service	1 year
Biography	Mr Travaglini is a Chartered Accountant and Chartered Company Secretary with over 15 years' experience in the resources sector, having served in various finance and company secretarial roles for ASX-listed companies with projects in Australia, Canada and Africa. Mr Travaglini is currently Chief Financial Officer of Bellavista Resources Ltd (ASX: BVR), and Midas Minerals Limited (ASX: MM1) and Chief Financial Officer and Joint Company Secretary of Cygnus Metals Limited (ASX: CY5).
Current listed directorships	None
Former ASX listed directorships in the last three years	None
Interests in shares	185,714
Interest in options	None
Interest in performance rights	300,000

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DIRECTORS (CONTINUED)

Mr David Southam	
Position	Non-Executive Director
Qualifications	B.Comm, FCPA, MAICD
Appointment date	17 April 2024
Resignation date	N/A
Length of service	5.5 months
Biography	Mr Southam is a CPA with more than 30 years' experience in accounting, operations, capital markets and finance across the resources and industrial sectors. He was previously Managing Director of Mincor Resources NL. Prior to Mincor, David was Executive Director of ASX200 nickel company Western Areas Limited and has held senior executive roles within Brambles Group, ANZ Investment Bank and WMC Resources. David is currently a non-executive director of Ramelius Resources Ltd and Executive Chairman of Cygnus Metals Limited.
Current listed directorships	Ramelius Resources Ltd – 2 July 2018 to present Cygnus Metals Limited (ASX:CY5) – 22 November 2022 to present
Former ASX listed directorships in the last three years	Mincor Resources NL – 1 February 2019 to 12 August 2022
Interests in shares	253,969
Interest in options	None
Interest in performance rights	1,500,000

Mr Clinton Carey	
Position	Non-Executive Director
Qualifications	BComm
Appointment date	2 November 2020 (previously Managing Director from 2 November 2020 until 1 April 2023)
Resignation date	23 November 2023
Length of service	3 years and 1 month
Biography	Mr Carey has 20+ years as a manager and director in a range of listed companies in the resources, Oil & Gas and technology sectors. Mr Carey has extensive experience in the resource sector providing management, capital raising and corporate advisory services to a range of listed mining and energy companies. He has worked for mining and energy companies in Russia, Brazil, Australia and England.
Current listed directorships	None
Former ASX listed directorships in the last three years	None

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COMPANY SECRETARY

Ms Maddison Cramer	
Position	Company Secretary
Qualifications	LLB, BA (Hons)
Appointment date	20 March 2023
Resignation date	N/A
Length of service	1 year 6 months
Biography	Ms Cramer is a corporate lawyer with focus on mining and resources and a professional Company Secretary. She co-founded boutique corporate services business Belltree Corporate and is currently a Company Secretary at a number of ASX-listed mining and resources companies. Ms Cramer is a former Company Secretary of Bellevue Gold Limited (ASX: BGL) (then ASX300) and prior to this, she was an Associate at Bellanhouse Legal and HWL Ebsworth Lawyers. Ms Cramer specialises in corporate and commercial transactions, including capital raisings, IPOs and backdoor listings, and corporate governance issues.

MEETINGS OF DIRECTORS

During the financial year, five meetings of directors were held. The number of meetings attended by each director during the year is stated below:

Director	Directors Meetings	
	Number Eligible to Attend	Meetings Attended
Raymond Shorrocks	5	5
Patrick Gowans	5	5
Carl Travaglini	5	5
David Southam[2]	-	-
Clinton Carey[1]	4	4

[1] Clinton Carey resigned on 23 November 2023.

[2] David Southam was appointed on 17 April 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year consisted of mineral exploration and evaluation. There were no significant changes in the nature of the Group's principal activities during the year.

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CORPORATE

The Group's cash position as at 30 June 2024 was $9,924,422 (2023: $2,678,831).

The Group's consolidated loss after income tax expense for the year ended 30 June 2024 was $10,125,434 (2023: loss after income tax expense of $1,664,542). The loss included the following items:

- Employee benefit expense of $1,773,997 (2023: $687,323), which includes share-based payment expense of $1,060,760 (2023: $156,631)
- Consultancy fees settled through issuance of performance rights of $3,225,390 (2023: $11,997)
- Other expenses settled through issuance of performance rights of $23,423 (2023: Nil)
- Impairment of $1,429,961, of which $1,252,613 relates to the write-off of the Bateman Project in New South Wales (2023: Nil)
- Interest expense of $392,079 (2023: $2,177)

The Group's total assets were $37,441,153 (2023: $4,411,567).

The Directors are of the view that the Company and the Group are operating as a going concern.

DIVIDENDS

There were no dividends paid, recommend or declared during the current or previous financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Acquisition of Cerro Bayo Project

On 30 November 2023, the Company entered into a Sale and Purchase Agreement ("SPA") with Equus Mining Limited (ASX:EQE) ("Equus") and its subsidiaries to acquire a 100% interest in Equus Resources Pty Ltd, and therefore, indirectly acquire all the assets comprising the Cerro Bayo Project. Pursuant to the acquisition, the Company also entered into the following agreements:

(i) An asset purchase agreement with Equus and its 75% owned subsidiary Equus Patagonia SpA to acquire all of the assets which together comprise the Los Domos Project; and

(ii) A deed of debt repayment, termination and voluntary escrow ("Tribeca Deed") with Equity Trustees Ltd (in its own capacity and in its capacity as trustee of the Tribeca Global Natural Resources Fund) ("Tribeca") and Equus, to satisfy Equus' outstanding debt to Tribeca.

The total purchase consideration was $5,000,000 which comprised the following:

(i) $450,000 cash payment

(ii) $1,000,000 deferred consideration payable in cash or, at Andean's election and subject to shareholder approval, shares based on the 20-day VWAP upon achievement of an Inferred Mineral Resource (as defined in the JORC Code) of not less than 100Moz of silver at a grade of not less than 300g/t AgEq within 5 years from the date of completion;

(iii) $50,000 cash payment for the acquisition of Los Domos project;

(iv) $3,000,000 cash payment to Tribeca pursuant to the Tribeca Deed; and

(v) $500,000 worth of Company shares issued to Tribeca, being 2,314,814 shares based on a deemed price of $0.216 per share. Half of these shares were subject to 6 months' voluntary escrow, with the other half subject to 12 months' voluntary escrow.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (CONTINUED)

The Company also advanced cash of $874,069 prior to the completion of the transaction for ongoing expenses required to maintain the Cerro Bayo Project in good order up until settlement.

On 21 February 2024, the Company completed the acquisition of 100% of the Cerro Bayo Project. The transaction was accounted for as an asset acquisition.

Capital raisings

(1) On 1 December 2023, the Company announced it had received binding commitments to raise a total of $8.3 million (before costs) through the issuance of 41,500,000 fully paid ordinary shares at an issue price of $0.20 per share ("Placement"). Tranche 1 of the Placement was completed on 8 December 2023, raising approximately $2.3 million (before costs). Shareholder approval for Tranche 2 of the Placement was obtained on 29 January 2024, and Tranche 2 of the Placement was completed on 8 February 2024, raising approximately $6 million (before costs).

Funds raised from this Placement were used:

- to fund the acquisition of Cerro Bayo Project;
- for Resource and exploration expansion drilling;
- for care and maintenance costs; and
- for costs of the Placement and working capital.

(2) On 9 May 2024, the Company issued 22,222,222 fully paid ordinary shares at an issue price of $0.45 per share, raising $10 million (before costs). A second tranche of $509,500 worth of shares was issued on 5 July 2024 following the receipt of shareholder approval on 28 June 2024. Proceeds from this issuance will be used to accelerate drilling and rapid Resource growth at the Cerro Bayo Project.

(3) On 21 May 2024, the Company issued 500,000 fully paid ordinary shares upon exercise of unquoted options, resulting in total proceeds of $150,000 (before costs).

Options and performance rights

During the year, the Company issued 2,000,000 unquoted options to brokers in consideration for lead manager services provided in connection with the Placement completed on 21 February 2024. These options were issued for nil consideration and are exercisable at $0.40 on or before 19 February 2026.

During the year, the Company granted a total of 18,800,000 performance rights to Directors, employees and consultants with various vesting conditions.

Board and Management Changes

During the year, Carl Travaglini was appointed as a Non-Executive Director effective 1 October 2023 and Non-Executive Director Mr Clinton Carey stepped down as a director at the Company's Annual General Meeting held on 23 November 2023.

Damien Koerber joined the Company from Equus as Chief Operating Officer – Americas (COO) and Exploration Manager with effect from 19 February 2024.

Former Chief Geologist Tim Laneyrie was appointed Chief Executive Officer and David Southam was appointed Non-Executive Director, both effective from 17 April 2024. At the same time, Interim Executive Director Raymond Shorrocks transitioned to Non-Executive Chairman and Patrick Gowans transitioned to Non-Executive Director.

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SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (CONTINUED)

Name Change to Andean Silver Limited

On 5 July 2024, following shareholder approval received at General Meeting held on 28 June 2024, the Company changed its name from Mitre Mining Corporation Limited to Andean Silver Limited. The Company commenced trading under its new name and ASX code (ASX: **ASL**) on 11 July 2024.

The Company also unveiled its new branding including an updated website: www.andeansilver.com.

MATERIAL BUSINESS RISKS

The following describes the material business risks that could affect the Group, including any material exposure to economic, environmental and social sustainability risks, and how the Group seeks to manage them.

Future capital requirements and market risks

As an exploration entity, the Group is not generating net cash flow, meaning it is reliant on raising funds from investors or lenders in order to continue to fund its operations and to scale growth. The Group will require further funding in the future.

The Group is exposed to external market forces that impact on specific commodity prices and overarching market sentiment that may restrict the Group's access to new flows of capital if the Group's project pipeline is not ascribed value in the market at any given time. The Group manages this risk by ensuring a constant focus on the Group's current financial position and forecast working capital requirements. Discretionary exploration activities are focused on commodities and in jurisdictions that will ensure access to higher levels of capital in times of broader market depression.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Group's operations and business strategy. Debt financing (while not currently a focus), if available, may involve restrictions on financing and operating activities.

Although the Group believes that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Group or at all. If the Group is unable to obtain additional financing as needed, the Group may be required to reduce the scope of its activities, which could have a material adverse effect on the Group's activities and could affect the Group's ability to continue as a going concern.

Commodity prices volatility and exchange rates

Commodity prices fluctuate according to changes in demand and supply. The Group is exposed to changes in commodity prices which could affect the profitability of the Group's projects. Significant adverse movements in commodity prices could also affect the ability to raise debt and equity to fund exploration and development of its projects. The Group will be exposed to changes in the US Dollar, Australian Dollar and Chilean Peso.

Exploration and development risks

The prospects of the Group's projects must be considered in light of the considerable risks, expenses and difficulties frequently encountered by companies in the early stage of exploration and development activities and, accordingly, carries significant exploration risk.

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MATERIAL BUSINESS RISKS (CONTINUED)

Exploration and development risks (continued)

Potential investors should understand that mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, First Nations process, changing government regulations and many other factors beyond the control of the Group.

The success of the Group will also depend upon the Group having access to sufficient development capital, being able to maintain title to its Projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Group and possible relinquishment of part or all of its projects.

Mineral resource estimates

The Group's Mineral Resources are estimates and no assurance can be given that the estimated resources are accurate or that the indicated level of silver, gold or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any part, or all, of the Group's Mineral Resources constitute or will be converted into Ore Reserves. Market price fluctuations of silver and gold, as well as increased production and capital costs may render the Group's Mineral Resources containing relatively lower grade mineralisation uneconomic. Estimated reserves may have to be re-estimated based on actual production experience. Any of these factors may require the Group to reduce its Mineral Resources, which could have a negative impact on the Group's financial results.

Mining risks and insurance risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial incidents, unusual or unexpected geological conditions, unavailability of materials and equipment, pit wall failures, rock bursts, seismic events, cave-ins, and weather conditions (including flooding and bush fires), most of which are beyond the Group's control. These risks and hazards could result in significant costs or delays that could have a material adverse effect on the Group's financial performance, liquidity and results of operation. The Group maintains insurance to cover the most common of these risks and hazards. The insurance is maintained in amounts that are considered reasonable depending on the circumstances surrounding each identified risk. However, property, liability and other insurance that is available may not provide sufficient coverage for losses related to these or other risks or hazards or may not be available at all.

Risks of operating in another country

The Group's Cerro Bayo Project is located in Chile. The Group's operations are therefore subject to the laws and regulations of Chile. Exploration, development and mining activities may be affected by political instability and changes to government regulations relating to the mining industry and foreign investment. Adverse changes in these regulations may negatively affect the Group's growth plans and strategy. Operations may also be affected by changes to mining laws, environmental laws, income and other taxes and exchange controls.

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MATERIAL BUSINESS RISKS (CONTINUED)

Risks of operating in another country (continued)

The success of the Company is dependent on the stability of the political, economic and legal situation in the Chile and any change in legislation could have a material adverse effect on the Group's financial position, activities and results of operations.

Evolving regulatory environment

The risk of failing to adapt and adhere to the complex and rapidly evolving regulatory environments in Australia, Chile and other jurisdictions that the Group may have operations in the future. This can result in the increased complexity and cost of doing business and the risk of forfeiture of exploration and mining claims from the failure of complying with complex regulatory environments.

The Group's development operations and exploration activities are subject to extensive and constantly evolving laws and regulations governing the protection and management of worker health and safety, the environment, water management, waste disposal, mine development and rehabilitation and the protection of cultural heritage and endangered and other special status species.

Regulatory changes may have an adverse impact on the financial performance and / or financial position of the Group. The Group's risk management strategy is designed to monitor and limit the adverse consequences of existing and new regulations in a way that is efficient and minimises compliance costs.

Tenure, access and grant of licences / permits

The Group's operations are subject to it obtaining and maintaining the necessary titles, permits, authorisations and licences from appropriate governmental authorities, as well as securing appropriate land access arrangements (including those providing for consent or compensation requirements) with the local community and other third party stakeholders, which authorise its operations under the relevant law ("Authorisations").

Delays and/or unforeseen costs in respect of obtaining necessary Authorisations may adversely impact the Group's exploration activities or development operations. New or additional Authorisations may be required due to changes to the Group's proposed operations, or changes to the relevant law or government enforcement policy. There is no assurance that the Group will be able to acquire or maintain all Authorisations necessary to develop or continue operating at any particular project.

Authorisations held by the Group may also be subject to challenge by third parties which, if successful, could impact on the Group's operations.

Community relations and reputational risks

The mining industry in general is subject to potential community relations related risks which may result in a disruption to activities and delay the approval timelines for key development activities.

The Company's host communities are supportive of mining in general, and the associated employment and flow-on economic benefits specifically that are likely to flow to local and regional businesses and the general uplifting of the area. Similarly, the Company is committed to community upliftment and regional growth through effective partnerships with all local stakeholders in the regions where it has mining operations.

The Group recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfaction and reputational loss which has the potential to disrupt the Group's operations and/or impact financial performance.

MATERIAL BUSINESS RISKS (CONTINUED)

Health and safety

Mining operations inherently involve risks related to equipment failures, accidents and geological challenges. These risks, along with health crises, such as pandemics, can disrupt the Group's operations and pose risks to the Group's workforce.

The Group has implemented a range of health and safety related initiatives at its operations to manage and support the health and safety of its employee and contractors. Despite this, there is no guarantee that such measures will eliminate the occurrence of accidents or other incidents which may result in personal injury or damage to property and in certain circumstances such occurrences could give rise to regulatory fines and/or civil liability.

Environment risks

The Group's exploration and mine development operations have an impact on the environment and are subject to various environmental risks including those associated with legal compliance, land and biodiversity, nature reservations and parks, water, tailings, rehabilitation and mine closure.

The Group's operations are subject to the environmental laws and regulations of Chile and Australia. Failure to comply with environmental laws and regulations or appropriately manage environmental risks can lead to fines, legal liabilities, forfeiture of titles and reputational damage. Similarly, delays in obtaining, or failure to obtain, related environmental permits and approvals may adversely impact the Group. There is also a risk that new environmental laws, regulations or stricter enforcement policies may be implemented in the future which could negatively impact the Group.

Data management

There are risks associated with retaining or managing the Company's corporate data in a way that is inconsistent with the Group's regulatory obligations. This is considered to be a growing risk as the Group and related data volumes grow and cyber-security threats become more sophisticated. Failure to properly manage the Group's corporate data could result in significant financial and regulatory implications. The Group has implemented a number of company-wide controls to manage this risk, including the continuous review and updating of security controls on the Group's network based on known security threats and the latest intelligence.

People capability

The Group is currently reliant on the Board and key management personnel and expects in the future to continue to rely on those personnel. The loss of one or more of these current key contributors or an inability to source a sufficient number of appropriately experienced consultants could have an adverse impact on the business of the Group.

The intention of the Group's remuneration framework is to ensure remuneration and reward structures are aligned with shareholders' interests by being market competitive to attract and retain high calibre individuals, rewarding superior individual performance, recognising the contribution of each executive to the continued growth and success of the Group, and linking long-term incentives to shareholder value.

General economic climate

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Group's future income, asset values and share price can be affected by these factors.

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MATERIAL BUSINESS RISKS (CONTINUED)

Climate change

There are a number of climate-related factors that may affect the Group's business. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the ability of the Group to access and utilise its tenements and therefore the Group's ability to carry out operations.

Changes in policy, technological innovation, and consumer or investor preferences could adversely impact the Group's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

Unforeseen expenditure risk

The Group's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Group. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Group are likely to be adversely affected.

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Option ID	Grant Date	Expiry date	Exercise Price	Number under Option
OPT1	16-12-2022	16-12-2025	$0.20	750,000
OPT2	16-12-2022	16-12-2025	$0.40	750,000
OPT3	02-02-2023	02-02-2026	$0.40	850,000
OPT4	02-02-2023	02-02-2026	$0.20	1,000,000
OPT5	29-01-2024	19-02-2026	$0.40	1,850,000
Total on issue				**5,200,000**

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

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SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares of the Company under performance rights at the date of this report are as follow:

PR ID	Grant Date	Expiry Date	Number under Performance Rights
PRC	23-03-2023	23-03-2028	250,000
PRF	01-06-2023	01-06-2028	33,333
PRG	01-06-2023	01-06-2028	33,334
PRI	21-06-2023	21-06-2028	9,250,000
PRJ	21-06-2023	21-06-2028	2,000,000
PRI	31-08-2023	21-06-2028	400,000
PRK	27-10-2023	30-07-2027	1,725,000
PRL	19-02-2024	19-02-2029	1,533,333
PRM	19-02-2024	19-02-2029	1,533,333
PRN	19-02-2024	19-02-2029	1,583,334
PRO	19-02-2024	19-02-2029	3,000,000
PRP	19-02-2024	19-02-2029	3,000,000
PRQ	19-02-2024	19-02-2029	3,000,000
PRR	24-04-2024	30-04-2029	500,000
PRS	24-04-2024	30-04-2029	500,000
PRT	24-04-2024	30-04-2029	500,000
PRR	28-06-2024	30-04-2029	500,000
PRU	24-04-2024	30-04-2029	1,000,000
PRV	05-07-2024	01-04-2029	750,000
PRW	06-09-2024	01-09-2029	165,000
Total on issue			**31,256,667**

No person entitled to exercise the performance rights had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

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SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of Andean Silver Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options:

Date options granted	Exercise price	Number of shares issued
16-12-2022	$0.20	250,000
16-12-2022	$0.40	250,000
19-02-2024	$0.40	1,000,000
02-02-2023	$0.40	1,150,000
29-01-2024	$0.40	150,000
		2,800,000

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

The following ordinary shares of Andean Silver Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of performance rights:

Date performance rights granted	Exercise price	Number of shares issued
01-06-2023	Nil	100,000
23-03-2023	Nil	750,000
01-06-2023	Nil	33,333
		883,333

During the year, 25,000 performance rights lapsed.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group will continue to advance the exploration and evaluation of the Cerro Bayo Project and maintain its current tenement holdings in Australia in good standing.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 5 July 2024, the Company issued the following securities:

- 1,132,223 Tranche 2 placement shares following receipt of shareholder approval on 28 June 2024, including 305,556 shares issued to directors;
- 2,250,000 performance rights, including 1,500,000 performance rights issued to a director; and
- 783,333 ordinary shares from conversion of performance rights of which 750,000 ordinary shares were issued to a KMP.

On 19 July 2024, the Company issued 1,000,000 fully paid ordinary shares from conversion of 1,000,000 unquoted options at $0.20 each, resulting in proceeds of $200,000.

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SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)

On 4 September 2024, the Company issued 165,000 performance rights to an employee and on 6 September 2024 issued 461,539 ordinary shares in lieu of corporate advisory fees.

On 19 September, the Company issued 1,300,000 fully paid ordinary shares from conversion of 1,300,000 unquoted options at $0.40 each, resulting in proceeds of $520,000.

On 19 September, the Company announced that it had received firm commitments totalling $25 million (before issue costs) via Placement of 23,809,524 ordinary shares at a share price of $1.05 per share. 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. The Placement was completed on 26 September 2024.

Apart from the above, no matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

ENVIRONMENTAL REGULATION

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The Directors believe that the Company has adequate systems in place for environmental management and are not aware of any breach of environmental requirements as they apply to the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* (Cth) for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is lack of good faith.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company of any related entity.

CORPORATE GOVERNANCE

The Directors of Andean Silver Limited are responsible for the corporate governance of the Company and have applied ASX Corporate Governance Principles in a manner that is appropriate to the Company's circumstances. The Company's corporate governance statement is available on the Company's website at www.andeansilver.com.

NON-AUDIT SERVICES

Details of the amount paid or payable to the auditor audit services provided during the year are disclosed in Note 6 to the consolidated financial statements. There were no non-audit services provided by the auditor during the reporting period.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out immediately after the Directors' Report.

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REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out the information on the remuneration of the Key Management Personnel ("KMP") of the Company for the financial year ended 30 June 2024. The information has been prepared in accordance with Section 300A of the *Corporations Act 2001* (Cth) (the "Act') and its Regulations. The information has been audited as required by section 308(3C) of the Act.

KMP are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Company and Group, directly or indirectly including any Director (whether executive or otherwise) of the Company.

The table below sets out the KMP of the Group and their movements for the financial year ended 30 June 2024. Unless otherwise indicated, the individuals were Directors or KMP for the entire financial year.

Non-Executive Directors	
Ray Shorrocks	Non-Executive Chairman (transitioned from Interim Executive Director to Non-Executive Chairman on 17 April 2024)
Patrick Gowans	Non-Executive Director (transitioned from Non-Executive Chairman to Non-Executive Director on 17 April 2024)
David Southam	Non-Executive Director (appointed on 17 April 2024)
Carl Travaglini	Non-Executive Director (appointed on 1 October 2023)
Clinton Carey	Non-Executive Director (appointed on 2 November 2020, transitioned from Managing Director to Non-Executive Director on 1 October 2023 and resigned 23 November 2023)
Key Management Personnel (Executives)	
Timothy Laneyrie	Chief Executive Officer (appointed on 17 April 2024)
Damien Koerber	Chief Operating Officer - Americas (appointed on 19 February 2024)

Remuneration governance

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and Executive Officers. The Board will assess the appropriateness of the nature and amounts of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

During the year the Board consisted of between three and four (3-4) members. The Group does not have a remuneration committee and therefore the full Board acts as the remuneration committee. The Board has established a broad remuneration policy which is consistent with the Group's business objectives and designed to attract and retain high calibre individuals, align key management personnel remuneration with the creation of shareholder value and motivate executives to achieve challenging performance levels.

The business and operational environment of the Group is dynamic and ever changing and so too is the remuneration policies. As such the broader remuneration policies, whilst currently under specific and detailed review, are by nature, always under consideration by the Board.

Further information relating to the role of the Board and its responsibilities in relation to remuneration policies can be found within the Corporate Governance Statement which is available for inspection on the Company's website.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Use of remuneration consultants

The Board may obtain professional advice where necessary to ensure that the Group attracts and retains talented and motivated directors, executives and employees who can enhance Group performance through their contributions and leadership. The Company has not engaged or contracted remuneration consultants during the financial year.

Remuneration Framework

Executive remuneration policy and framework

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives, and the creation of value for shareholders, and conforms to market best practice for delivery of reward.

KMP Remuneration

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- capital management
- transparency

A combination of fixed and variable reward may be provided to KMPs, based on their responsibility within the Group in relation to the achievement of its strategic objectives and capacity to contribute to the generation of long-term shareholder value.

The components of KMP remuneration may consist of:

(i) Fixed Remuneration

All executives receive a base cash salary which is based on factors such as length of service and experience as well as other fringe benefits. All applicable executives also receive a superannuation guarantee contribution required by the government, which was 11% during the 2024 financial year, and do not receive any retirement benefits.

(ii) Short-term Incentives (STI)

Under the Company's current remuneration policy, executives can from time to time receive short-term incentives in the form of cash bonuses. The Board can use its discretion when paying bonuses, however they have currently determined relevant industry key performance targets such as, definition and growth of existing resources, and ongoing executive loyalty to the Company. The Board believes that the criteria of eligibility for short-term incentives appropriately aligns shareholder wealth and executive remuneration as the completion of key performance targets have the potential to increase share price growth.

(iii) Bonuses

There were no cash bonuses paid to KMP during the year (2023: $45,000 was paid to previous director in prior year).

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Remuneration Framework (continued)

KMP Remuneration (continued)

(iv) Long-term Incentives (LTI)

Executives are encouraged by the Board to hold shares in the Company, and it is therefore the objective of the Company's Employee Incentive Securities Plan to provide an incentive for participants to partake in the future growth of the Company and, upon becoming shareholders in the Company, to participate in the Company's profits and dividends that may be realised in future years.

The Board considers that this equity performance linked remuneration structure is effective in aligning the long-term interests of group executives and shareholders as there exists a direct correlation between shareholder wealth and executive remuneration.

Company Performance, Shareholders Wealth, and Director and Executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. This has been achieved by the issue of performance options and rights to directors, executives and other key management personnel, at the discretion of the Board of Directors. The performance options and rights are issued under the Employee Securities Incentive Plan and based on a mixture of short, medium and long-term incentives. This structure rewards executives for both short-term and long-term shareholder wealth development.

During the financial year, no unquoted options (2023: 1,500,000 unquoted options) and 7,350,000 performance rights (2023: 2,000,000 performance rights) were issued to KMP.

Non-Executive Director remuneration policy and framework

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment, and responsibilities. Fees for non-executive directors are not linked to the performance of the Group.

Typically, the Company will compare non-executive director remuneration to companies with similar market capitalisations in the exploration and resource development business group. These ongoing reviews are performed to confirm that non-executive director remuneration is in line with market practice and is reasonable in the context of Australian non-executive director reward practices.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to non-executive directors is currently $200,000 per annum as per the Company's constitution. The Company intends to seek shareholder approval pursuant to ASX Listing Rule 10.17 to increase the maximum annual aggregate amount of fees that can be paid to non-executive directors at the 2024 annual general meeting.

Overview of the Company Performance

In considering the Company's performance and benefits for shareholder wealth, the Board has regard to the following business performance indicators in respect of the current and the previous two financial years (the Company listed on the ASX on 30 September 2021):

REMUNERATION REPORT (AUDITED) (CONTINUED)

Overview of the Company Performance (continued)

Year Ended 30 June	Units	2024	2023	2022
Market Capitalisation	$	85,110,223	13,605,030	4,104,012
Closing Share Price	$	0.76	0.30	0.12
Number of shares on issue	#	111,987,136	45,350,100	34,200,100
Income	$	319,342	10,255	-
Loss after income tax expense	$	(10,125,434)	(1,664,542)	(646,282)

Currently, there is a portion of remuneration of KMP that is linked to share price performance. The rationale for this approach is that the Group is in the exploration phase, and it is currently not appropriate to link remuneration to any other factors such as profitability.

Voting and comments made at the Company's 2023 Annual General Meeting

The Company received 100% of "Yes" votes on its remuneration report for the 2023 financial year (2022: 99.69%). The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of Remuneration

The KMP of Andean Silver Limited for the years ended 30 June 2024 and 2023 are set out below.

There have been no other changes to the below named KMP since the end of the reporting period unless noted.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Details of Remuneration (continued)

2024	Fixed Remuneration			Post Employment	Variable Remuneration				
	Cash salary and fees	Annual Leave	Other Benefits	Superannuation	Bonus	Options	Performance rights	Total	Linked to Performance
	$	$	$	$	$	$	$	$	%
Non-Executive Directors									
Ray Shorrocks [1]	209,329	-	-	21,007	-	-	524,029	**754,365**	69.5
Patrick Gowans [2]	68,330	-	-	-	-	-	8,672	**77,002**	11.3
Carl Travaglini [3]	45,000	-	-	-	-	-	7,768	**52,768**	14.7
David Southam [4]	11,212	-	15,000	1,233	-	-	45,210	**72,655**	62.2
Clinton Carey [5]	27,083	-	-	-	-	-	-	**27,083**	-
Other KMP									
Timothy Laneyrie [6]	61,667	4,492	-	6,783	-	-	82,993	**155,935**	54.8
Damien Koerber [7]	98,419	7,148	-	10,826	-	-	37,426	**153,819**	25.5
Total Remuneration	**521,040**	**11,640**	**15,000**	**39,849**	**-**	**-**	**706,098**	**1,293,627**	**55.1**

1 Ray Shorrocks transitioned to Non-Executive Chairman from Interim Executive Director effective 17 April 2024.
2 Patrick Gowans transitioned to Non-Executive Director from Non-Executive Chairman effective 17 April 2024.
3 Carl Travaglini was appointed as Non-Executive Director on 1 October 2023.
4 David Southam was appointed as Non-Executive Director on 17 April 2027. He received $15,000 in his capacity as a consultant to the Group.
5 Clinton Carey resigned on 23 November 2023.
6 Timothy Laneyrie was appointed as Chief Executive Officer effective 17 April 2024.
7 Damien Koerber was appointed as Chief Operating Officer – Americas on 19 February 2024.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Details of Remuneration (continued)

2023	Fixed Remuneration			Post Employment	Variable Remuneration				
	Cash salary and fees	Annual Leave	Other Benefits	Superannuation	Bonus	Options	Performance rights	Total	Linked to Performance
	$	$	$	$	$	$	$	$	%
Non-Executive Directors									
Patrick Gowans	53,499	-	-	-	-	47,129	-	**100,628**	46.8
Clinton Carey [1]	141,667	23,077	50,000	24,850	45,000	94,257	-	**378,851**	36.8
Adrien Wing [2]	36,000	-	-	-	-	-	-	**36,000**	-
Executive Director									
Ray Shorrocks [3]	61,249	-	-	6,431	-	-	1,507	**69,187**	2.2
Other KMP									
Adrien Wing [2]	36,000	-	6,800	-	-	-	-	**42,800**	-
Total Remuneration	**328,415**	**23,077**	**56,800**	**31,281**	**45,000**	**141,386**	**1,507**	**627,466**	**22.8**

[1] Clinton Carey resigned as Managing Director effective 1 April 2023 and assumed the role as Non-Executive Director on the same date. Other benefits paid to Mr Carey were made up of payment in lieu of notice $50,000 and a bonus $45,000 in recognition of his services since the listing of the Company.

[2] Adrien Wing resigned as Non-Executive Director on 8 March 2023. He also resigned as Company Secretary effective 21 March 2023. In addition to his fees, he was paid a termination payment ($6,800) pursuant to his service agreement.

[3] Ray Shorrocks was appointed as Interim Executive Director effective 1 April 2023.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Service Agreements

Non-Executive Directors

Name	**Ray Shorrocks**
Title	Non-Executive Chairman effective 17 April 2024
Agreement commenced	17 April 2024
Term of agreement	Unspecified
Details	• Director fee of $120,000 per annum including superannuation effective 17 April 2024 (previous Base Salary as Executive Director was $185,000 per annum exclusive of superannuation until 30 September 2023, and $225,000 per annum exclusive of superannuation from 1 October 2023 to 16 April 2024). • Statutory superannuation contributions to be met as required under the *Superannuation Guarantee Charge Act 1992* (Cth). • Eligible to participate in the Company's Employee Securities Incentive Plan. • Upon ceasing office, the monthly Director Fee and any other Board Committee Fee (if relevant) will be paid on a pro-rata basis to the date of cessation.
Name	**Patrick Gowans**
Title	Non-Executive Director effective 17 April 2024
Agreement commenced	22 March 2021
Term of agreement	Unspecified
Details	• Director fee of $70,000 per annum effective 1 April 2023 and amended to $60,000 per annum effective 1 May 2024. • Statutory superannuation contributions to be met as required under the *Superannuation Guarantee Charge Act 1992* (Cth). • Eligible to participate in the Company's Employee Securities Incentive Plan. • Upon ceasing office, the monthly Director Fee and any other Board Committee Fee (if relevant) will be paid on a pro-rata basis to the date of cessation.
Name	**Carl Travaglini**
Title	Non-Executive Director
Agreement commenced	1 October 2023
Term of agreement	Unspecified
Details	• Director fee of $60,000 per annum. • Statutory superannuation contributions to be met as required under the *Superannuation Guarantee Charge Act 1992* (Cth). • Eligible to participate in the Company's Employee Securities Incentive Plan. • Upon ceasing office, the monthly Director Fee and any other Board Committee Fee (if relevant) will be paid on a pro-rata basis to the date of cessation.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Service Agreements (continued)

Name	**David Southam**
Title	Non-Executive Director
Agreement commenced	17 April 2024
Term of agreements	Unspecified
Details	*Director* • Director fee of $60,000 per annum. • Statutory superannuation contributions to be met as required under the *Superannuation Guarantee Charge Act 1992* (Cth). • Eligible to participate in the Company's Employee Securities Incentive Scheme. • Upon ceasing office, the monthly Director Fee and any other Board Committee Fee (if relevant) will be paid on a pro-rata basis to the date of cessation. *Consultant* Consultancy fee of $50,000 per annum • Eligible to participate in the Company's Employee Securities Incentive Scheme. • Notice period to terminate is 3 months. • Payment of a termination benefit on early termination by the company, other than for gross misconduct, equal to 3 months of the base salary, being payment in lieu of the specified termination notice period.

Name	**Clinton Carey**
Title	Non-Executive Director
Agreement commenced	1 April 2023
Term of agreement	Resigned on 23 November 2023
Details	• Director fee of $65,000 per annum, effective from 1 July 2023. • Statutory superannuation contributions to be met as required under the *Superannuation Guarantee Charge Act 1992* (Cth). • Upon ceasing office, the monthly Director Fee and any other Board Committee Fee (if relevant) will be paid on a pro-rata basis to the date of cessation.

Name	**Adrien Wing**
Title	Non-Executive Director
Agreement commenced	21 May 2021 to 8 March 2023
Term of agreement	Resigned on 8 March 2023
Details	• Base fee of $4,000 per month for services as Non-Executive Director • Base fee of $4,000 per month for services as Company Secretary • Upon ceasing office, the monthly Director Fee and any other Board Committee Fee (if relevant) will be paid on a pro-rata basis to the date of cessation.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Service Agreements (continued)

Other KMPs

Name	**Timothy Laneyrie**
Title	Chief Executive Officer
Agreement commenced	17 April 2024
Term of agreement	Unspecified
Details	• Base fee of $300,000 per annum, exclusive of superannuation. • Statutory superannuation contributions to be met as required under the *Superannuation Guarantee Charge Act 1992* (Cth). • Eligible to participate in the Company's Employee Securities Incentive Plan. • Notice period to terminate is 3 months. • Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 3 months of the base salary, being payment in lieu of the specified termination notice period.

Name	**Damien Koerber**
Title	Chief Operating Officer
Agreement commenced	19 February 2024
Term of agreement	Unspecified
Details	• Base fee of $250,000 per annum. • Statutory superannuation contributions to be met as required under the *Superannuation Guarantee Charge Act 1992* (Cth) • Eligible to participate in the Company's Employee Securities Incentive Plan. • Notice period to terminate is 3 months. • Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 3 months of the base salary, being payment in lieu of the specified termination notice period.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Equity Instruments held by KMP

The number of shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

2024 Shares

	Balance at the start of the year/ date of appointment	Received on exercise of options/ performance rights	Other purchases	Held on date of resignation	Balance at the end of the year
Non-Executive Directors					
Ray Shorrocks [1]	357,143	-	250,000	-	607,143
Patrick Gowans [2]	410,713	-	150,000	-	560,713
Carl Travaglini [3]	35,714	-	150,000	-	185,714
David Southam [4]	142,857	-	-	-	142,857
Clinton Carey [5]	1,240,278	-	-	(1,240,278)	-
Other KMP					
Timothy Laneyrie [6]	-	-	394,018	-	394,018
Damien Koerber [7]	-	-	-	-	-
	2,186,705	**-**	**944,018**	**(1,240,278)**	**1,890,445**

1 Ray Shorrocks transitioned to Non-Executive Chairman effective 17 April 2024.
2 Patrick Gowans transitioned to Non-Executive Director effective 17 April 2024.
3 Carl Travaglini was appointed as Non-Executive Director on 1 October 2023.
4 David Southam was appointed as Non-Executive Director on 17 April 2027.
5 Clinton Carey transitioned to Non-Executive Director effective 1 April 2023 and resigned on 23 November 2023.
6 Timothy Laneyrie was appointed as CEO effective 17 April 2024.
7 Damien Koerber was appointed on 19 February 2024

2023 Shares

	Balance at the start of the year/ on appointment	Received on exercise of options/ performance rights	Other purchases	Held on date of resignation	Balance at the end of the year
Directors					
Ray Shorrocks [3]	357,143	-	-	-	357,143
Patrick Gowans	250,000	-	160,713	-	410,713
Clinton Carey [1]	1,168,850	-	71,428		1,240,278
Adrien Wing [2]	156,250	-	-	(156,250)	-
	1,932,243	**-**	**232,141**	**(156,250)**	**2,008,134**

1 Clinton Carey resigned as Managing Director effective 1 April 2023 and assumed the role as Non-Executive Director on the same date.
2 Adrien Wing resigned as Non-Executive Director on 8 March 2023.
3 Ray Shorrocks was appointed as Interim Executive Director effective 1 April 2023.

There were no shares issued to directors and other KMP as part of compensation during the year ended 30 June 2024 (2023: Nil).

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Equity Instruments held by KMP (continued)

The number of options over ordinary shares in the Company held during the financial year by each director and other KMP of the Group, including their personally related parties, is set out below:

2024 Unquoted Options

	Balance at the start of the year/ date of appointment	Granted during the year	Exercised	Held on date of resignation	Balance at the end of the year	Vested and exercisable
Non-Executive Directors						
Ray Shorrocks	-	-	-	-	-	
Patrick Gowans	500,000	-	-	-	500,000	500,000
Carl Travaglini	-	-	-	-	-	-
David Southam	-	-	-	-	-	
Clinton Carey [1]	1,000,000	-	-	(1,000,000)	-	-
Other KMP						
Timothy Laneyrie	-	-	-	-	-	-
Damien Koerber	-	-	-	-	-	-
	1,500,000	**-**	**-**	**(1,000,000)**	**500,000**	**500,000**

[1] Clinton Carey transitioned to Non-Executive Director effective 1 April 2023 and resigned on 23 November 2023. At the date of his resignation, his options were not cancelled and remained vested and exercisable.

2023 Unquoted Options

	Balance at the start of the year/ date of appointment	Granted during the year	Exercised	Held on date of resignation	Balance at the end of the year	Vested and exercisable
Non-Executive Directors						
Ray Shorrocks	-	-	-	-	-	-
Patrick Gowans	-	500,000	-	-	500,000	500,000
Clinton Carey	-	1,000,000	-	-	1,000,000	1,000,000
Adrien Wing	-	-	-	-	-	-
	-	**1,500,000**	**-**	**-**	**1,500,000**	**1,500,000**

REMUNERATION REPORT (AUDITED) (CONTINUED)

Equity Instruments held by KMP (continued)

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other KMP of the Group, including their personally related parties, is set out below:

2024 Performance Rights

	Balance at the start of the year/ date of appointment	Granted during the year	Exercised	Held on date of resignation	Balance at the end of the year	Vested and exercisable
Non-Executive Directors						
Ray Shorrocks	2,000,000	1,500,000*	-	-	3,500,000	2,000,000
Patrick Gowans	-	300,000*	-	-	300,000	-
Carl Travaglini	-	300,000*	-	-	300,000	-
David Southam	-	1,500,000*	-	-	1,500,000	
Clinton Carey	-	-	-	-	-	-
Other KMP						
Timothy Laneyrie	1,000,000	2,500,000	-	-	3,500,000	750,000
Damien Koerber	-	1,250,000	-	-	1,250,000	-
	3,000,000	**7,350,000**	**-**	**-**	**10,350,000**	**2,750,000**

* Performance Rights issued under the Company's Employee Securities Incentive Plan. Approvals for the issues were obtained under ASX Listing Rule 10.14.

2023 Performance Rights

	Balance at the start of the year/ date of appointment	Granted during the year	Exercised	Held on date of resignation	Balance at the end of the year	Vested and exercisable
Non-Executive Directors						
Ray Shorrocks	-	2,000,000	-	-	2,000,000	-
Patrick Gowans	-	-	-	-	-	-
Clinton Carey	-	-	-	-	-	-
Adrien Wing	-	-	-	-	-	-
	-	**2,000,000**	**-**	**-**	**2,000,000**	**-**

* Performance Rights issued under the Company's Employee Securities Incentive Plan. Approvals for the issues were obtained under ASX Listing Rule 10.14.

The exercise of Performance Rights is subject of the performance hurdles being met by the holder.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Details of share-based compensation and bonuses

Options and performance rights are issued to directors and executives as part of their remuneration. The options have no performance criteria or vesting conditions, and were last issued to Directors in 2022. There is no intention to issue options to Directors or executives going forward. Performance Rights have been issued to Directors and executives with long-term retention and performance criteria to align the remuneration of KMP with creation of sustained value for shareholders and provide a link between remuneration and the level of their performance and the performance of the Company. The Board believes that incentivising with performance rights is a prudent means of conserving the Company's available cash reserves.

Options

There were no options issued to directors and other KMP during the year ended 30 June 2024 (2023: 1,500,000).

No options were exercised or lapsed during the year.

Options granted carry no dividend or voting rights.

Performance Rights

During the year, a total of 7,350,000 performance rights were issued directors and other KMP (2023: 2,000,000). 5,850,000 of these performance rights were granted following shareholder approval received on 29 January 2024. The remaining 1,500,000 performance rights were granted following shareholder approval received on 28 June 2024.

Performance rights granted carry no dividend or voting rights.

The terms and conditions of each Tranche of performance rights granted during the year affecting remuneration of KMP during the year are set out below:

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Details of share-based compensation and bonuses (continued)

PR ID #	Grant date	Expiry date	Vesting conditions	No. of performance rights	Fair value at grant date $
PRL	19-02-2024	19-02-2029	Upon continuous employment with the Company until 19 February 2027 and announcement of JORC Mineral Resource Estimate of at least 45Moz at a grade of not less than 180g/t Silver equivalent	1,433,333	321,417
PRM	19-02-2024	19-02-2029	Upon continuous employment with the Company until 19 February 2027 and announcement of JORC Mineral Resource Estimate of at least 70Moz at a grade of not less than 180g/t Silver equivalent	1,433,333	321,417
PRN	19-02-2024	19-02-2029	Upon continuous employment with the Company until 19 February 2027 and announcement of JORC Mineral Resource Estimate of at least 100Moz at a grade of not less than 180g/t Silver equivalent	1,483,334	326,917
PRR	24-04-2024	30-04-2029	Upon continuous engagement by the Company until 17 April 2026 and the Company's share achieving a 20-day VWAP of $0.75 or greater prior to 30 April 2028	500,000	262,500
PRS	24-04-2024	30-04-2029	Upon continuous engagement by the Company until 17 April 2026 and the Company's share achieving a 20-day VWAP of $1.00 or greater prior to 40 April 2028	500,000	262,500
PRT	24-04-2024	30-04-2029	Upon continuous engagement by the Company until 17 April 2026 and the announcement of a positive Scoping, Pre-Feasibility or Feasibility Study (as defined in the JORC Code 2012 as may be amended from time to time) on the Cerro Bayo Project on or before 30 April 2028.	500,000	262,500
PRR	28-06-2024	30-04-2029	Upon continuous engagement by the Company until 17 April 2026and the Company's shares achieving a 20-day VWAP of $0.75 or greater prior to 30 April 2028	500,000	192,850

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Details of share-based compensation and bonuses (continued)

PR ID #	Grant date	Expiry date	Vesting conditions	No. of performance rights	Fair value at grant date
PRU	28-06-2024	30-04-2029	Upon remaining as a director, employee or contractor of the Company (or related body corporate) up to and including 19 February 2027	1,000,000	515,000

750,000 performance rights held by KMP that vested during the year were converted into ordinary shares subsequent to the end of the financial year.

As at reporting date, no additional performance rights granted to KMP during the year have vested and/or lapsed.

Other transactions with KMP and their related parties

Firefly Metals Limited

Mr Raymond Shorrocks was Chairman and Non-Executive Director of Firefly Metals Limited until 19 March 2024. FireFly Metals Limited shares office and administration services costs with the Company on normal commercial terms and conditions, and sublicenses part of the office premises. The total fees charged to the Group amounted to $54,336 (2023: $31,763) as at 30 June 2024. The balance outstanding as at 30 June 2024 was $Nil (2023: $Nil).

There were no other related party transactions during the year.

Loans to key management personnel

There were no loans to KMP of the Company, including their personally related parties as at 30 June 2024 (2023: $70 loan payable to Clinton Carey).

This concludes the remuneration report, which has been audited.

Signed in accordance with a resolution of the Board of Directors.

Raymond Shorrocks
Non-Executive Chairman
Perth, Western Australia, 26 September 2024

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Andean Silver Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Dated: 26 September 2024
Melbourne, Victoria

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These financial statements cover Andean Silver Limited as a consolidated entity consisting of Andean Silver Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars.

Andean Silver Limited is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business is:

Andean Silver Limited
Level 2, 8 Richardson Street
WEST PERTH WA 6005

A description of the nature of the consolidated entity's operations and its principal activities is included in the Review of Operations on pages 2 to 14 and in the Directors' Report on pages 18 to 47, both of which are not part of these financial statements.

The financial statements were authorised for issue by the Directors on 26 September 2024. The Company has the power to amend and reissue the financial statements.

Through the use of the internet, the Company has ensured that its corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial statements and other information are available on our website: www.andeansilver.com.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

ANDEAN SILVER

For the Year Ended 30 June 2024

	NOTES	2024	2023
		$	$
Income	3	319,342	10,255
Total revenue		**319,342**	**10,255**
Compliance and regulatory expense		(800,504)	(91,117)
Occupancy expense		(130,465)	(17,257)
Insurance expense		(75,680)	(37,268)
Employee benefits expense	4	(1,773,997)	(687,323)
Impairment	4	(1,429,961)	-
Depreciation and amortisation expense	4	(145,207)	(27,779)
Interest expense	4	(392,079)	(2,177)
Consultancy expense	4	(3,947,558)	(425,975)
Foreign currency loss		(42,527)	-
Other administrative expenses	4	(1,706,798)	(385,901)
Loss before income tax expense		**(10,125,434)**	**(1,664,542)**
Income tax expense	5	-	-
Loss after income tax expense		**(10,125,434)**	**(1,664,542)**
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation – foreign operations		210,628	-
Total comprehensive loss for the year		**(9,914,806)**	**(1,664,542)**
Basic and diluted (loss) per share (cents)	23	**(14.98)**	**(4.33)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

As at 30 June 2024

	NOTES	2024 $	2023 $
Current Assets			
Cash and cash equivalents	8	9,924,422	2,678,831
Trade and other receivables	9	152,172	29,311
Total Current Assets		**10,076,594**	**2,708,142**
Non-Current Assets			
Other assets	10	85,034	60,033
Other receivables	11	5,888,230	-
Exploration and evaluation expenditure	12	21,055,493	1,451,818
Plant and equipment	13	260,032	95,804
Intangibles		75,770	95,770
Total Non-Current Assets		**27,364,559**	**1,703,425**
Total Assets		**37,441,153**	**4,411,567**
Current Liabilities			
Trade and other payables	14	1,060,931	153,511
Provisions	15	140,381	17,837
Borrowings	16	102,566	11,384
Deferred consideration	17	1,000,000	-
Total Current Liabilities		**2,303,878**	**182,732**
Non-Current Liabilities			
Provisions	15	18,463,960	-
Borrowings	16	10,062	19,828
Total Non-Current Liabilities		**18,474,022**	**19,828**
Total Liabilities		**20,777,900**	**202,560**
Net Assets		**16,663,253**	**4,209,007**
Equity			
Contributed equity	18	23,820,194	5,871,854
Reserves	19	5,377,852	746,512
Accumulated losses	20	(12,534,793)	(2,409,359)
Total Equity		**16,663,253**	**4,209,007**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2024

ANDEAN SILVER

	Contributed equity	Share-based payments reserve	Foreign currency translation reserve	Accumulated losses	Total
	$	$	$	$	$
Balance at 1 July 2023	**5,871,854**	**746,512**	**-**	**(2,409,359)**	**4,209,007**
Loss after income tax expense	-	-	-	(10,125,434)	(10,125,434)
Other comprehensive loss net of tax	-	-	210,628	-	210,628
Total comprehensive loss for the year	**-**	**-**	**210,628**	**(10,125,434)**	**(9,914,806)**
Transactions with owners, recorded directly in equity					
Shares issued (net of share issue costs)	17,948,340	-	-	-	17,948,340
Share-based payments	-	4,420,712	-	-	4,420,712
	17,948,340	**4,420,712**	**-**	**-**	**22,369,052**
Balance at 30 June 2024	**23,820,194**	**5,167,224**	**210,628**	**(12,534,793)**	**16,663,253**
Balance at 1 July 2022	**4,980,226**	**-**	**-**	**(744,817)**	**4,235,409**
Loss after income tax expense	-	-	-	(1,664,542)	(1,664,542)
Other comprehensive loss net of tax	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(1,664,542)**	**(1,664,542)**
Transactions with owners, recorded directly in equity					
Shares issued (net of share issue costs) (Note 18)	891,628	-	-	-	891,628
Share-based payments	-	746,512	-	-	746,512
	891,628	**746,512**	**-**	**-**	**1,638,140**
Balance at 30 June 2023	**5,871,854**	**746,512**	**-**	**(2,409,359)**	**4,209,007**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows

For the Year Ended 30 June 2024

	NOTES	2024	2023
		$	$
Cash flows from operating activities			
Payments to suppliers and employees		(4,026,932)	(1,081,835)
Other income received		93,639	-
Interest received		35,389	10,255
Interest expense		(1,602)	(2,171)
Funds transferred to security deposit		-	(37,434)
Net cash used in operating activities	**22**	**(3,899,506)**	**(1,111,185)**
Cash flows from investing activities			
Payments for exploration and evaluation assets		(2,043,487)	(589,893)
Payments for acquisition of assets, net of cash held	**12**	(4,233,121)	-
Purchase of plant and equipment	**13**	(69,433)	(3,724)
Purchase of intangible assets		-	(76,276)
Net cash used in investing activities		**(6,346,041)**	**(669,893)**
Cash flows from financing activities			
Proceeds from issue of shares		18,571,000	1,190,000
Share issue transactions costs		(1,011,521)	(91,488)
Repayment of borrowings		(68,341)	(9,213)
Net cash provided by financing activities		**17,491,138**	**1,089,299**
Net increase/(decrease) in cash and cash equivalents		**7,245,591**	**(691,779)**
Cash and cash equivalents at the beginning of the year		2,678,831	3,370,610
Cash and cash equivalents at end of the year		**9,924,422**	**2,678,831**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

The financial statements cover Andean Silver Limited ("Company" or "Andean Silver"), formerly Mitre Mining Corporation Limited, and the entities it controlled at the end of, or during, the year (together referred to as the "Group"). Andean Silver is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are a general-purpose financial statement which have been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) ("Corporations Act") and the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial statements have been prepared on a historical cost basis, except for certain financial assets, which have been measured at fair value through profit or loss. The financial statements are presented in Australian dollars.

(b) Statement of compliance

The financial statements comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Adoption of new accounting standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2023. The accounting policies adopted are consisted with those of the previous financial year. Several new and amended Accounting Standards and Interpretations applied for the first time from 1 July 2023 but did not have a material impact on the consolidated financial statements of the Group and, hence, have not been disclosed.

The standards and interpretations that have been issued or amended but not yet effective have not been early adopted by the Group for the annual reporting period ended 30 June 2024.

The following Accounting Standards issued but not yet effective, are currently being assessed by Management.

- AASB 18 *Presentation and Disclosure in Financial Statements (Effective for annual reporting periods beginning on or after 1 January 2027)*
- IFRIC Agenda decisions in July 2024 – Disclosing revenue and expenses for reportable segments

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Statement of compliance (continued)

The following Accounting Standards issued but not yet effective, have been assessed with no significant impact to the Group.

- AASB 2020-1 *Amendments to AASs – Classification of Liabilities as Current or Non-current (Effective for annual reporting periods beginning on or after 1 January 2024)*

(c) Critical accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimations in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

The areas involving a higher degree of judgment of complexity, or where assumptions or estimates are significant to the financial statements are disclosed below:

Asset acquisition

Judgment was required to determine that the acquisition of the Cerro Bayo Project was not a business combination, but rather an asset acquisition. The Cerro Bayo project has been on care and maintenance since October 2022 and the substantive process that had the ability to convert inputs to outputs was not present and therefore the acquisition during the year was treated as an asset acquisition.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on various factors, including whether the Group decides to exploit the related area of interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Critical accounting judgments, estimates and assumptions (continued)

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this is determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

Share-based payment transactions

The fair value is determined by using an appropriate valuation, using the assumptions as discussed in Note 21. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities in the next annual reporting period but may impact expenses and equity.

Environmental provisions

A provision has been made for the present value of anticipated costs of the remediation work that will be required to comply with environmental and legal obligations.

In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of those future costs and the estimated level of inflation. The ultimate rehabilitation costs are uncertain, and costs estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, timing, cost increases as compared to the inflation rate and changes in discount rates.

The provision at reporting date represents management's best estimates of the present value of the future rehabilitation costs required.

(d) Going concern

The directors believe it is appropriate to prepare the consolidated financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

As at 30 June 2024, the Group had current assets of $10,076,594 (2023: $2,708,142), including cash and cash equivalents of $9,924,422 (2023: $2,678,831), and current liabilities of $2,303,878 (2023: $182,732).

Management has prepared cash flow forecast for the next 12 months which contemplate future capital raisings or other transactions for the delivery of exploration projects as currently forecast. Based on these forecasts and funding requirements, the Directors anticipate the Group will be able to meet its commitments and pay its debts as and when they fall due, while meeting its objective or rapidly exploring its projects as forecast.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Going concern (continued)

Subsequent to financial year, the Group received approximately $24 million (net of issue costs) from capital raising. Refer to Note 33 for details.

The Directors are satisfied that there is a reasonable basis to conclude that it is appropriate to prepare the consolidated financial statements on a going concern basis.

(e) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Andean Silver as at 30 June 2024 and the results of all the subsidiaries for the year then ended.

Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns, from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights.

The Group re-assess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intercompany transactions between members of the Group are eliminated in full consolidation.

(f) Parent entity information

In accordance with the Corporations Act, these consolidated financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 28.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Foreign currency translation

Functional and presentation currency

The Group's consolidated financial statements are presented in Australian dollars ($ or AUD), which is also the parent entity's functional currency.

Transaction and balances

Foreign currency transactions are translated into AUD using the exchange rates prevailing at the dates of the transactions and foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction and non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss component of the consolidated statement of profit or loss and other comprehensive income, except where they are deferred in equity as a qualifying cash flow or net investment hedge.

Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into AUD using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into AUD using the average exchange rates for the period, which approximate the rates at the dates of the transactions. Exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(h) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line management and the level of segment information presented to the board of directors.

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODM"). The CODM is comprised of the Executive Team and is responsible for the allocation of resources to operating segment and assessing their performance.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and on hand and other short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, or fair value through profit or loss or fair value through OCI.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under AASB 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, the Group's financial assets are classified in these categories:

- Financial assets are amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial assets at amortised cost (debt instruments)

The Group's financial assets at amortised cost include cash and cash equivalents and trade and other receivables. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of other income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

The Group's financial asset at fair value through profit or loss include other receivables.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that do not pass the SPPI test are required to be classified, and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For trade receivables, the Group applies the simplified approach in calculating ECLs, as permitted by AASB 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL.

The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and trade and other payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and trade and other payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and borrowings.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss and other comprehensive income.

As at reporting date, the Group does not have financial liabilities at fair value through profit or loss.

Borrowings and trade and other payables

After initial recognition, interest-bearing borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

This category generally applies to interest-bearing loans and borrowings and trade and other payables.

(k) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Fair value measurement (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(l) Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	1 year
Furniture	1 year
Motor vehicles	5 years
Plant and equipment	3-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

(m) Intangible asset – Computer software

Compute software is recorded at cost. Software costs are amortised once the software is ready for use. Software has a finite life and is carried at cost less accumulated amortisation any impairment losses. Software has an estimated useful life of 5 years. The asset's residual value and residual life are reviewed and adjusted if appropriate, at each balance date.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Exploration and evaluation expenditure

Expenditure (including acquisition costs) on exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and:

- it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the profit or loss or provided against.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment on a regular basis or whether impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Group no longer holds tenure, the relevant capitalised amount is written off to the profit or loss in the period when the new information becomes available.

(o) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal (FVLCD) and its value in use (VIU).

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining FVLCD, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Impairment of non-financial assets (continued)

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs

(q) Environmental provisions – Cerro Bayo Project

The Group is required to rehabilitate the Cerro Bayo Project in accordance with the Closure Plan approved by the Chilean National Service of Geology and Mining (Sernageomin) to comply with the environmental and legal obligations.

The expected cost of any approved decommissioning or rehabilitation programme, discounted to its net present value, is provided when the related environmental disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses.

Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for the site. Where there is a change in the expected decommissioning and restoration costs and discount rate, the value of the provision and any related asset are adjusted, and the effect is recognised in profit or loss on a prospective basis over the remaining life of the operation.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by potential proceeds from the sale of assets or from plant clean up at closure.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Issued capital

Issued and paid-up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issued of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

(s) Share-based payment transactions

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transaction"). The Group has one plan in place that provides these benefits. It is the Employee Securities Incentive Plan ("ESIP") which provides benefits to all employees including Directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using either the Binomial or Black-Scholes model as appropriate. These option valuation models takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives services that entitle the employees to receive payment.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

a. the extent to which the vesting period has expired; and
b. the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expenses not yet recognised for the award is recognised immediately.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Share-based payment transactions (continued)

However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding rights is reflected as additional share dilution in the computation of dilutive earnings per share.

(t) Employee benefits

Wages, salaries, sick leave and other short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, accumulating annual leave and other short-term benefits are expected to be settled wholly within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departure and periods of service. Expected future payments are discounted using the market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Superannuation

Contributions made by the Group to employee superannuation funds, which are defined contribution plans, are charged as an expense when incurred.

(u) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is the method of calculation the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided for using the full liability balance sheet approach.

The tax rates and tax laws used to compute the amount of deferred tax assets and liabilities are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable profits.

Deferred tax liabilities are recognised for all taxable temporary differences except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (or tax loss); and
- taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, including carry-forward tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised except when:

- the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (or tax loss); and
- the deductible temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures and it is not probable that the temporary difference will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets and deferred tax liabilities are reassessed at each reporting date and are recognised to the extent that they satisfy the requirements for recognition.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Income taxes relating to transactions recognised outside profit and loss (for example, directly in other comprehensive income or directly in equity) are also recognised outside profit and loss.

(w) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST, except:

- where the amount of GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable; and
- receivables and payable, which are stated with the amount of GST included.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of amounts of GST recoverable from, or payable to, the taxation authorities.

(x) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent adjusted for:

- cost of servicing equity (other than dividends) and preference share dividends; • the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discriminatory changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

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3. INCOME

		2024 $	2023 $
Income from continuing operations			
Interest income		225,703	10,255
Other income		93,639	-
		319,342	**10,255**

4. EXPENSES

		2024 $	2023 $
Loss before income tax expense includes the following expenses:			
Employee benefit expense			
Salary and wages expenses		638,340	493,598
Superannuation – defined contributions		74,897	37,094
Share based payment	**19(i)**	1,060,760	156,631
Total employee benefits expense		**1,773,997**	**687,323**
Impairment			
Write-off of exploration and evaluation expenditure	**12**	1,252,613	-
Expected credit loss on VAT receivables	**9**	177,348	-
Total impairment		**1,429,961**	**-**
Depreciation and amortisation expense			
Computer equipment	**13**	8,301	3,724
Furniture	**13**	1,890	-
Motor vehicles	**13**	13,749	13,748
Plant and equipment	**13**	101,267	6,077
Software		20,000	4,230
Total depreciation and amortisation expense		**145,207**	**27,779**

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4. EXPENSES (CONTINUED)

		2024 $	2023 $
Interest expense			
Interest expense – hire purchase		1,602	2,171
Interest expense – other	15	390,477	6
Total interest expense		**392,079**	**2,177**
Consultancy expense			
Performance rights issued in lieu of payment for consultancy services		3,225,390	11,997
Other consultancy expense		722,168	413,978
Total consultancy expenses		**3,947,558**	**425,975**
Other administrative expenses			
Accounting and secretarial fees		188,348	167,561
Legal fees		257,554	81,170
Travel and transportation		290,422	77,935
Plant maintenance		266,413	-
Others		704,061	59,235
Total administrative expenses		**1,706,798**	**385,901**

5. INCOME TAX EXPENSE

	2024 $	2023 $
Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-

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5. INCOME TAX EXPENSE (CONTINUED)

	2024 $	2023 $
A reconciliation of income tax expense and the product of accounting loss before income tax expense multiplied by the Group's applicable income tax rate is as follows:		
Loss before income tax expense	**(10,125,434)**	**(1,664,542)**
At statutory income tax rate of 25% (2023: 30%)	(2,531,359)	(499,363)
Add:		
Capital allowances	9,956	(22,762)
Exploration	226,882	(179,735)
Other non-allowable items	420,007	112,136
Other	259,488	(6,000)
Share based payments	1,077,393	46,989
Revenue losses not recognised	657,316	570,003
	119,683	21,268
Less:		
Lower foreign tax rate	(30,860)	-
Capital raising costs	(76,469)	(27,866)
Non-assessable income	(655)	-
Prepayments	(9,820)	(5,244)
Provisions and accruals	(321)	10,347
Superannuation payable	(1,558)	1,495
Income tax expense	**-**	**-**
The applicable average weighted tax rates are as follows:	0%	0%

The tax rate used in the above reconciliation is the corporate tax rate of 25% (2023: 30%) payable by Australian corporate entities on taxable profits under Australian tax law. The full company tax rate of 30% applies to all companies that are not eligible for the lower company tax rate. 27% corporate tax rate has been applied to the Chilean group.

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5. INCOME TAX EXPENSE (CONTINUED)

The following deferred tax balances have not been recognised:

	2024 $	2023 $
Deferred tax assets at 25% (2023: 30%)		
Tax losses	1,537,049	1,066,045
Capital raising cost	261,282	89,022
Provisions and accruals	10,763	15,171
	1,809,094	**1,170,238**

The taxation benefit of tax losses not brought to account will only be obtained if:

(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(ii) the Group continues to comply with the conditions for deductibility imposed by law; and
(iii) no changes in income tax legislation adversely affect the Company in utilising the benefits.

Deferred tax liabilities at 25% (2023: 30%)		
Prepayments	14,190	5,244
Plant and equipment	37,937	57,472
Exploration and evaluation expenditure	128,414	418,745
	180,541	**481,461**

The above deferred tax liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the deferred tax asset has not be recognised.

6. AUDITOR'S REMUNERATION

	2024 $	2023 $
Remuneration of the auditor of the Group for auditing or reviewing the financial reports:		
Auditors – RSM Australia Partners	38,325	35,000
	38,325	**35,000**

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7. KEY MANAGEMENT PERSONNEL DISCLOSURE

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2024 $	2023 $
Short term employment benefits	547,680	396,492
Post employment benefits	39,849	31,281
Termination benefits	-	56,800
Share-based payments	706,098	142,893
	1,293,627	**627,466**

8. CASH AND CASH EQUIVALENTS

	2024 $	2023 $
Cash on hand	-	-
Cash at bank	9,924,422	2,678,831
	9,924,422	**2,678,831**

Cash at bank earn interest at floating rates based on daily bank deposit rates.

9. TRADE AND OTHER RECEIVABLES

	2024 $	2023 $
GST/ VAT receivables	177,348	11,832
Less: expected credit losses	(177,348)	-
Net GST/ VAT receivables	-	11,832
Other debtors	76,332	-
Prepayments	75,840	17,479
	152,172	**29,311**

As at 30 June 2024, the Group recognised $177,348 of expected credit losses for VAT receivables (2023: Nil). There were no other receivables that were past due of impaired (2023: Nil).

10. OTHER ASSETS

	2024 $	2023 $
Deposits	85,034	60,033
	85,034	**60,033**

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11. OTHER RECEIVABLES

		2024 $	2023 $
Balance at 1 July		-	-
Additions through asset acquisition	12	5,720,840	-
Accrued interest		190,314	-
Translation difference		(22,924)	-
		5,888,230	**-**

As part of the acquisition of the Cerro Bayo Project, the Group recognised the existing provision for rehabilitation in Compania Minera Cerro Bayo SpA based on the updated closure plan approved by the Chilean National Service of Geology and Mining (Sernageomin) on 21 February 2024 (refer to Note 15). In accordance with the acquisition agreement, Mandalay Resources Corporation ("Mandalay"), a company listed in Toronto Stock Exchange (TSX: MND) has agreed to contribute approximately 50% of the closure cost. The Group has recognised a receivable from Mandalay in relation to this reimbursement right measured at fair value through profit or loss.

As at 30 June 2024, the present value of the reimbursement cost from Mandalay, calculated using a discount rate of 9.4% and inflation rate of 4.5% amounted to $5,888,320. The total undiscounted amount of the reimbursement from Mandalay amounted to approximately $7.7 million by 2032.

12. EXPLORATION AND EVALUATION EXPENDITURE

	2024 $	2023 $
Balance at 1 July	1,451,818	796,701
Exploration and evaluation during the year	2,043,487	599,117
Additions through asset acquisition	18,718,681	56,000
Translation difference	94,120	-
Total	22,308,106	1,451,818
Less: Written-off during the year	(1,252,613)	-
	21,055,493	**1,451,818**

On 30 November 2023, the Company entered into a Sale and Purchase Agreement (“SPA”) with Equus Mining Limited (“Equus”) to acquire 100% interest in Equus Resources Pty Ltd, and therefore, indirectly acquire all the assets comprising the Cerro Bayo Project. Pursuant to the acquisition, the Company has also entered into the following agreements:

(i) An asset purchase agreement with Equus and its 75% owned subsidiary Equus Patagonia SpA to acquire all of the assets which together comprise the Los Domos Project; and

(ii) A deed of debt repayment, termination and voluntary escrow (“Tribeca Deed”) with Equity Trustees Ltd (in its own capacity and in its capacity as trustee of the Tribeca Global Natural Resources Fund) (“Tribeca”) and Equus, to satisfy Equus’ outstanding debt to Tribeca.

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12. EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

The total purchase consideration was $5,000,000 which comprised the following:

(i) $450,000 cash payment
(ii) $1,000,000 in cash or shares (deferred consideration shares) (refer to Note 17);
(iii) $50,000 cash payment for the acquisition of Los Domos project;
(iv) $3,000,000 cash payment to Tribeca as per the Tribeca Deed; and
(v) $500,000 of the Company's shares issued to Tribeca, being 2,314,814 shares based on a deemed price of $0.216 per share (refer to Note 18).

The Company has also advanced cash of $874,069 prior to the completion of the transaction for ongoing expenses required to maintain the Cerro Bayo Project in good order up until settlement.

On 21 February 2024, the Company completed the acquisition of 100% of the Cerro Bayo Project. The transaction was accounted for as an asset acquisition.

On 23 November 2022, the Company entered into a binding agreement with Bellpark Minerals Limited ('Bellpark'), an unlisted private company that beneficially owns 100% of the East Pilbara and Mount Alexander Lithium Projects. In consideration for the acquisition of 100% of Bellpark, the Company issued 400,000 fully paid ordinary shares to the vendor on 7 February 2023 after satisfying the conditions precedent and following shareholder approval at the General Meeting of Shareholders held on 30 January 2023. The transaction was accounted for as an asset acquisition. The fair value of consideration of $56,000 is deemed to be the fair value of the exploration asset acquired at the date of acquisition.

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas. During the year, a review was undertaken for each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. In assessing the carrying value of all the Group's project, there were $1,252,613 expenditure on exploration and evaluation of mineral resources, relating to the Bateman Project in NSW written off during the year (2023: Nil) and recognised in profit or loss.

Assets acquired and liabilities assumed – Cerro Bayo Project and Los Domos Project

The identifiable assets and liabilities acquired as at the date of acquisition, inclusive of transaction costs are:

		21 February 2024 $
Cash and cash equivalents		140,948
Trade and other receivables		38,386
Reimbursement for rehabilitation costs	11	5,720,840
Exploration and evaluation expenditure		18,718,681
Plant and equipment	13	223,107
Total identifiable assets		**24,841,962**

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12. EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

Assets acquired and liabilities assumed – Cerro Bayo Project and Los Domos Project (continued)

		21 February 2024 $
Trade and other payables		(1,466,398)
Provisions – current		(85,100)
Borrowings – current		(149,757)
Provisions – non-current	15	(18,140,707)
Total identifiable liabilities		**(19,841,962)**
Net identifiable assets		**5,000,000**

Cash flows on acquisition – Cerro Bayo Project

	21 February 2024 $
Purchase cash consideration	4,374,069
Less: cash held at date of acquisition	(140,948)
Net cash outflows on acquisition	**4,233,121**

13. PLANT AND EQUIPMENT

	Computer equipment $	Furniture $	Motor Vehicles $	Plant and equipment $	Total $
Cost					
Balance at 1 July 2022	1,749	1,904	68,741	60,764	133,158
Additions	3,724	-	-	-	3,724
Balance at 30 June 2023	5,473	1,904	68,741	60,764	136,882
Accumulated depreciation					
Balance at 1 July 2022	(1,749)	(1,904)	(11,595)	(2,281)	(17,529)
Depreciation expense	(3,724)	-	(13,748)	(6,077)	(23,549)
Balance at 30 June 2023	(5,473)	(1,904)	(25,343)	(8,358)	(41,078)
Net book value at 30 June 2023	**-**	**-**	**43,398**	**52,406**	**95,804**

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13. PLANT AND EQUIPMENT (CONTINUED)

	Computer equipment $	Furniture $	Motor Vehicles $	Plant and equipment $	Total $
Cost					
Balance at 1 July 2023	5,473	1,904	68,741	60,764	136,882
Additions	10,616	1,890	-	56,927	69,433
Additions through asset acquisition	-	-	-	223,107	223,107
Translation difference	-	-	-	(790)	(790)
Balance at 30 June 2024	16,089	3,794	68,741	340,008	428,632
Accumulated depreciation					
Balance at 1 July 2023	(5,473)	(1,904)	(25,343)	(8,358)	(41,078)
Depreciation expense	(8,301)	(1,890)	(13,749)	(101,267)	(125,207)
Translation difference	(2,315)	-	-	-	(2,315)
Balance at 30 June 2024	(16,089)	(3,794)	(39,092)	(109,625)	(168,600)
Net book value at 30 June 2024	**-**	**-**	**29,649**	**230,383**	**260,032**

14. TRADE AND OTHER PAYABLES

	2024 $	2023 $
Trade and other payables	987,145	89,194
Accruals	73,786	64,317
	1,060,931	**153,511**

Trade and other payables and accruals are carried at amortised costs and are recognised when goods and services are received, whether or not billed to the Group, prior to the end of the reporting period. Trade and other payables are non-interest bearing and generally on 30-day terms.

The carrying amount of the total trade and other payables approximates their fair value.

15. PROVISIONS

	2024 $	2023 $
Current		
Employee entitlements	140,381	17,837
	140,381	**17,837**

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15. PROVISIONS (CONTINUED)

	2024 $	2023 $
Non-current		
Provision for rehabilitation	18,463,960	-
	18,463,960	**-**

As part of the acquisition of the Cerro Bayo Project, the Group recognised the existing provision for rehabilitation in Compania Minera Cerro Bayo SpA based on the updated Closure Plan approved by the Chilean National Service of Geology and Mining (Sernageomin) on 21 February 2024. The closure plan cost is in the amount of 369,231 UF (Chilean Unidades de Formento) as determined by Sernageomin.

The rehabilitation provision represents the present value of rehabilitation costs relating to the Cerro Bayo Project, which is expected to be incurred up to 2032, which is the end of certified useful life of the mine. The provision has been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believe is a reasonable basis upon which to estimate the future liability.

The estimate is reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon silver and gold prices, which are inherently uncertain.

The inflation rate used in the calculation of the provision as at 30 June 2024 is 4.5% and the discount rate used in the calculation of the provision as at 30 June 2024 is 6.09%.

The movement in provision for rehabilitation is as follows:

		2024 $	2023 $
Balance at 1 July 2023		-	-
Additions through asset acquisition	**12**	18,140,707	-
Unwinding of discount	**4**	390,477	-
Translation difference		(67,224)	-
		18,463,960	**-**

16. BORROWINGS

	2024 $	2023 $
Hire purchase liability – current	102,566	11,384
Hire purchase liability – non-current	10,062	19,828
	112,628	**31,212**

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16. BORROWINGS (CONTINUED)

	Minimum lease payments $	Present value of lease payments $
2024		
Within one year	103,619	102,566
After one year but not more than five years	10,484	10,062
Total minimum payments	114,103	112,628
Less: amounts representing finance charges	(1,475)	-
	112,628	**112,628**

	Minimum lease payments $	Present value of lease payments $
2023		
Within one year	12,988	11,384
After one year but not more than five years	22,798	19,828
Total minimum payments	35,786	31,212
Less: amounts representing finance charges	(4,574)	-
	31,212	**31,212**

17. DEFERRED CONSIDERATION

As part of the acquisition on the Cerro Bayo Project, the Company has agreed to pay $1,000,000 in cash or, at the Company's discretion and subject to shareholder approval, to issue fully paid ordinary shares in the capital of the Company based on the 20-day VWAP, upon achievement of a non-market condition within 5 years from the date of completion. The Group has assessed that achievement of the non-market condition is probable within 12 months from the date of completion of the acquisition of Cerro Bayo Project, and therefore, the carrying amount of deferred consideration of $1,000,000 approximates its fair value.

18. CONTRIBUTED EQUITY

(a) Ordinary shares

	2024 No. of shares	2023 No. of shares
Issued and fully paid	**111,987,136**	**45,350,100**

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18. CONTRIBUTED EQUITY (CONTINUED)

(b) Movements in ordinary shares on issue

	Date	No. of shares	$
Balance at 1 July 2023		45,350,100	5,871,854
Placements (i)	8/12/2023	11,337,525	2,267,505
Placements (i)	8/02/2024	30,162,475	6,032,495
Consideration shares (ii)	19/02/2024	2,314,814	500,000
Placements (iii)	9/05/2024	22,222,222	10,000,000
Conversion of performance rights	16/05/2024	100,000	-
Options exercised (iv)	21/05/2024	250,000	100,000
Options exercised (iv)	21/05/2024	250,000	50,000
Share application monies (v)			121,000
Less: Issue costs			(1,122,660)
Balance at 30 June 2024		**111,987,136**	**23,820,194**

	Date	No. of shares	$
Balance at 1 July 2022		34,200,100	4,980,226
Placements (vi)	2/02/2023	8,500,000	1,190,002
Consideration shares (vii)	7/02/2023	400,000	56,000
Shares issued to consultants (viii)	22/03/2023	2,250,000	315,000
Less: Issue costs			(669,374)
Balance at 30 June 2023		**45,350,100**	**5,871,854**

(i) In December 2023, the Company received binding commitments to raise a total of $8.3 million (before costs) through the issuance of 41,500,000 fully paid ordinary shares in the Company at an issue price of $0.20 per share ("Placement"). On 8 December 2023, the Company issued 11,337,525 fully paid ordinary shares at an issue price of $0.20 per share to raise ~$2.3 million (before costs) under Tranche 1 of the Placement. On 8 February 2024, the Company issued the remaining 30,162,475 fully paid ordinary shares at an issue price of $0.20 per share to raise ~$6.0 million (before costs) after receiving shareholders' approval on 29 January 2024.

(ii) On 19 February 2024, the Company issued 2,314,814 fully paid ordinary shares to Tribeca at a deemed issue price of $0.216 per share as part of the acquisition of the Cerro Bayo Project (refer to Note 12). 50% of the shares issued is subject to 6 months' voluntary escrow and the other 50% is subject to 12 months' voluntary escrow.

(iii) On 9 May 2024, the Company issued a further 22,222,222 fully paid ordinary shares at an issue price of $0.45 per share (Tranche 1) to raise $10 million (before costs). Proceeds from this issuance will be used to accelerate drilling and rapid Resource growth at the Group's Cerro Bayo Project.

18. CONTRIBUTED EQUITY (CONTINUED)

(b) Movements in ordinary shares on issue (continued)

(iv) On 21 May 2024, the Company issued 500,000 fully paid ordinary shares upon exercise of 250,000 unlisted options at an issue price of $0.40 and 250,000 unlisted options at an issue price of $0.20.

(v) Share application monies were received as part of Tranche 2 placement at an issue price of $0.45 per share, approved by the shareholders on 28 June 204. The shares were issued subsequently on 5 July 2024.

(vi) On 2 February 2023, the Company issued 8,500,000 fully paid ordinary shares at an issue price of $0.14 per share to raise $1,190,000 (before costs).

(vii) On 7 February 2023, the Company issued 400,000 fully paid ordinary shares at a deemed issue price of $0.14 per share, being consideration shares issued to complete the acquisition of Bellpark Minerals Pty Ltd (refer to Note 12).

(viii) On 22 March 2023, the Company issued 2,250,000 fully paid ordinary shares to consultants of the Group as part consideration for their consulting services.

(c) Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of winding up the Company the holders are entitled to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(d) Options

Information relating to options including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 21(a).

(e) Performance rights

Information relating to performance rights including details of performance rights issued, exercised and lapsed during the financial year and performance rights outstanding at the end of the financial year is set out in Note 21(b).

(f) Capital management

Capital includes issued capital and all other equity reserves attributable to the equity holders of the parent for the purpose of Group's capital management. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital rations in order to support its business and maximise the shareholder's value. The Board management the capital of the Group to ensure that the Group can fund its operations and continue as a going concern. There are no externally imposed capital requirements.

No changes were made in the objectives, policies or processes during the years ended 30 June 2024 and 30 June 2023.

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19. RESERVES

		2024 $	2023 $
Share-based payment reserves	(i)	5,167,224	746,512
Foreign currency translation reserves	(ii)	210,628	-
		5,377,852	**746,512**

(i) Share-based payment reserves

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in share-based payment reserves are as follows:

		2024 $	2023 $
Unlisted options			
Balance at 1 July		719,270	-
Recognised as share-based payment expense	4	-	141,386
Recognised share issue costs		111,139	577,884
		830,409	**719,270**
Performance rights			
Balance at 1 July		27,242	-
Recognised as share-based payment expense	4	1,060,760	15,245
Recognised as consultancy expense		3,225,390	11,997
Recognised as other expenses		23,423	-
		4,336,815	**27,242**
		5,167,224	**746,512**

(ii) Foreign currency translation reserves

The reserve is used to recognise exchange differences arising from the translation of the financial statement of foreign operations to AUD

Movements in foreign currency translation reserves are as follows:

	2024 $	2023 $
Balance at 1 July	-	-
Foreign currency translation	210,628	-
Balance at 30 June	**210,628**	**-**

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20. ACCUMULATED LOSSES

	2024 $	2023 $
Balance at 1 July	(2,409,359)	(744,817)
Loss after income tax during the year	(10,125,434)	(1,664,542)
Balance at 30 June	**(12,534,793)**	**(2,409,359)**

21. SHARE-BASED PAYMENTS

(a) Unlisted options

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during 30 June 2024 and 30 June 2023.

	No. of options 2024	WAEP 2024	No. of options 2023	WAEP 2023
Outstanding at the beginning of the year	6,000,000	$0.30	-	-
Granted during the year	2,000,000	$0.40	6,000,000	$0.30
Exercised during the year	(500,000)	$0.30	-	-
Balance at 30 June	**7,500,000**	**$0.33**	**6,000,000**	**$0.30**
Vested and exercisable at the end of the financial year	**7,500,000**	**$0.33**	**6,000,000**	**$0.30**

The tables below illustrate the movements in share options for the financial year ended 30 June 2024 and 2023:

Grant date	Expiry date	Exercise price	Balance at 1 June 2023	Granted	Exercised	Balance at 30 June 2024	Vested	Value of options expensed
16-12-2022	16-12-2025	$0.20	750,000	-	-	750,000	750,000	-
16-12-2022	16-12-2025	$0.40	750,000	-	-	750,000	750,000	-
02-02-2023	02-02-2026	$0.20	2,250,000	-	(250,000)	2,000,000	2,000,000	-
02-02-2023	02-02-2026	$0.40	2,250,000	-	(250,000)	2,000,000	2,000,000	-
29-01-2024	19-02-2026	$0.40	-	2,000,000	-	2,000,000	2,000,000	$111,139
			6,000,000	**2,000,000**	**(500,000)**	**7,500,000**	**7,500,000**	**$111,139**

During the year, the Company issued 2,000,000 unlisted options to brokers in consideration for lead manager services provided in connection with the Placement completed on 21 February 2024. These options were issued for nil consideration and are exercisable at $0.40 each and expire 2 years from the date of issue. The fair value of these options amounted to $111,139, which has been accounted for as share issue costs.

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21. SHARE-BASED PAYMENTS (CONTINUED)

(a) Unlisted options (continued)

Grant date	Expiry date	Exercise price	Balance at 1 June 2022	Granted	Exercised	Balance at 30 June 2023	Vested	Value of options expensed
16-12-2022	16-12-2025	$0.20	-	750,000	-	750,000	750,000	$83,191
16-12-2022	16-12-2025	$0.40	-	750,000	-	750,000	750,000	$58,195
02-02-2023	02-02-2026	$0.20	-	2,250,000	-	2,250,000	2,250,000	$244,365
02-02-2023	02-02-2026	$0.40	-	2,250,000	-	2,250,000	2,250,000	$333,519
			-	**6,000,000**	**-**	**6,000,000**	**6,000,000**	**$719,270**

In prior year, the Company issued 4,500,000 unlisted options to brokers in consideration for lead manager services provided in connection with the Placement completed on 2 February 2023. These options were issued for nil consideration and expire 2 years from the date of issue. 2,250,000 unlisted options are exercisable at $0.20 each and 2,250,000 unlisted options $0.40 each. The fair value of these options amounted to $577,884 has been accounted for as share issue costs.

On 16 December 2022, the Company issued 1,500,000 unlisted options to its directors. These options are issued for nil consideration and expire 2 years from the date of issue. 750,000 unlisted options are exercisable at $0.20 each and 750,000 unlisted options $0.40 each. The fair value of these options amounted to $141,386 has been accounted for as share-based payment expense.

Valuation of options

The fair value of the equity-settled share-based payment granted under the ESIP is estimated at the date of grant using either a Black-Scholes or a Binomial model, which takes into account factors including the exercise price, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying share at grant date, historical and expected dividends and the expected life of the option or right, and the probability of fulfilling the required hurdles.

The following table gives the assumptions made in determining the fair value of the unlisted options granted:

Grant date	Underlying share price	Exercise price	Risk free interest rate	Share price volatility	Expiry date	Value per option
16-12-2022	$0.230	$0.20	3.19%	73.5%	16-12-2025	$0.1105
16-12-2022	$0.230	$0.40	3.19%	73.5%	16-12-2025	$0.0769
02-02-2023	$0.285	$0.20	3.22%	73.5%	02-02-2026	$0.1482
02-02-2023	$0.285	$0.40	3.22%	73.5%	02-02-2026	$0.1086
29-01-2024	$0.215	$0.40	3.22%	73.5%	19-02-2026	$0.0556

(b) Performance rights

Set out below are summaries of performance rights granted under the ESIP over ordinary shares which are granted for nil cash consideration and have nil exercise prices.

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21. SHARE-BASED PAYMENTS (CONTINUED)

(b) Performance rights (continued)

	2024	2023
	Number of rights	
Balance at 1 July	12,450,000	-
Granted	18,800,000	12,450,000
Exercised	(100,000)	-
Lapsed/ cancelled	(25,000)	-
Balance at 30 June	**31,125,000**	**12,450,000**
Vested and exercisable at the end of financial year	**15,433,333**	**-**

The following tables illustrate the number of, and movements in, performance rights for the financial years ended 30 June 2023 and 2024:

2023

PR ID #	Grant date	Expiry date	1 June 2022	Granted	Exercised	Lapsed/ forfeited/ others	Balance at 30 June 2023	Vested
PRA	23-03-23	23-03-28	-	500,000	-	-	500,000	-
PRB	23-03-23	23-03-28	-	250,000	-	-	250,000	-
PRC	23-03-23	23-03-28	-	250,000	-	-	250,000	-
PRE	01-06-23	01-06-28	-	33,333	-	-	33,333	-
PRF	01-06-23	01-06-28	-	33,333	-	-	33,333	-
PRG	01-06-23	01-06-28	-	33,334	-	-	33,334	-
PRH	01-06-23	01-06-28	-	100,000	-	-	100,000	-
PRI	21-06-23	21-06-28	-	3,750,000	-	-	3,750,000	-
PRI	21-06-23	21-06-28	-	5,500,000	-	-	5,500,000	-
PRJ	21-06-23	21-06-28	-	2,000,000	-	-	2,000,000	-
Total			**-**	**12,450,000**	**-**	**-**	**12,450,000**	**-**

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21. SHARE-BASED PAYMENTS (CONTINUED)

(b) Performance rights (continued)

2024

PR ID #	Grant date	Expiry date	1 June 2023	Granted	Exercised	Lapsed/ forfeited/ others	Balance at 30 June 2024	Vested
PRA	23-03-23	23-03-28	500,000	-	-	-	500,000	500,000
PRB	23-03-23	23-03-28	250,000	-	-	-	250,000	250,000
PRC	23-03-23	23-03-28	250,000	-	-	-	250,000	-
PRE	01-06-23	01-06-28	33,333	-	-	-	33,333	33,333
PRF	01-06-23	01-06-28	33,333	-	-	-	33,333	-
PRG	01-06-23	01-06-28	33,334	-	-	-	33,334	-
PRH	01-06-23	01-06-28	100,000	-	(100,000)	-	-	-
PRI	21-06-23	21-06-28	3,750,000	-	-	-	3,750,000	3,750,000
PRI	21-06-23	21-06-28	5,500,000	-	-	-	5,500,000	5,500,000
PRJ	21-06-23	21-06-28	2,000,000	-	-	-	2,000,000	2,000,000
PRI	31-08-23	21-06-28	-	400,000	-	-	400,000	400,000
PRK	27-10-23	30-07-27	-	1,750,000	-	(25,000)	1,725,000	-
PRL	19-02-24	19-02-29	-	1,533,333	-	-	1,533,333	-
PRM	19-02-24	19-02-29	-	1,533,333	-	-	1,533,333	-
PRN	19-02-24	19-02-29	-	1,583,334	-	-	1,583,334	-
PRO	19-02-24	19-02-29	-	3,000,000	-	-	3,000,000	3,000,000
PRP	19-02-24	19-02-29	-	3,000,000	-	-	3,000,000	-
PRQ	19-02-24	19-02-29	-	3,000,000	-	-	3,000,000	-
PRR	24-04-24	30-04-29	-	500,000	-	-	500,000	-
PRS	24-04-24	30-04-29	-	500,000	-	-	500,000	-
PRT	24-04-24	30-04-29	-	500,000	-	-	500,000	-
PRR	28-06-24	30-04-29	-	500,000	-	-	500,000	-
PRU	28-06-24	30-04-29	-	1,000,000	-	-	1,000,000	-
Total			**12,450,000**	**18,800,000**	**(100,000)**	**(25,000)**	**31,125,000**	**15,433,333**

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21. SHARE-BASED PAYMENTS (CONTINUED)

(b) Performance rights (continued)

Details of the fair value of the performance rights granted during the financial years ended 30 June 2024 and 2023 are as follows:

PR ID #	Number of performance rights	Grant date	Expiry date	Fair value of performance rights at grant date $	Total fair value $	Value of performance rights expensed 2023 $	Value of performance rights expensed 2024 $
PRA	500,000	23-03-23	23-03-28	0.288	144,000	5,852	138,148
PRB	250,000	23-03-23	23-03-28	0.288	72,000	2,926	69,074
PRC	250,000	23-03-23	23-03-28	0.288	72,000	3,902	14,424
PRE	33,333	01-06-23	01-06-28	0.270	9,000	660	8,340
PRF	33,333	01-06-23	01-06-28	0.270	9,000	253	3,691
PRG	33,334	01-06-23	01-06-28	0.270	9,000	144	2,147
PRH	100,000	01-06-23	01-06-28	0.238	23,800	378	23,422
PRI	3,750,000	21-06-23	21-06-28	0.255	956,250	4,711	951,539
PRI	5,500,000	21-06-23	21-06-28	0.255	1,402,500	6,909	1,395,591
PRJ	2,000,000	21-06-23	21-06-28	0.255	510,000	1,507	508,493
PRI	400,000	31-08-23	21-06-28	0.250	100,000	-	100,000
PRK	1,750,000	27-10-23	30-07-27	0.280	490,000	-	122,286
PRL	1,533,333	19-02-24	19-02-29	0.222	340,219	-	41,200
PRM	1,533,333	19-02-24	19-02-29	0.222	340,219	-	41,200
PRN	1,583,334	19-02-24	19-02-29	0.222	351,313	-	41,862
PRO	3,000,000	19-02-24	19-02-29	0.230	680,000	-	680,000
PRP	3,000,000	19-02-24	19-02-29	0.230	680,000	-	49,130
PRQ	3,000,000	19-02-24	19-02-29	0.230	680,000	-	49,130
PRR	500,000	24-04-24	30-04-29	0.395	197,300	-	9,012
PRS	500,000	24-04-24	30-04-29	0.371	185,700	-	8,481
PRT	500,000	24-04-24	30-04-29	0.525	262,500	-	7,193
PRR	500,000	28-06-24	30-04-29	0.386	192,850	-	11,276
PRU	1,000,000	28-06-24	30-04-29	0.515	515,000	-	33,934
						27,242	**4,309,573**

During the year, the Company granted 18,800,000 performance rights (2023: 12,450,000) to employees and consultants with various vesting conditions. 7,350,000 performance rights were issued to key management employees as detailed in the remuneration report (2023: 2,000,000).

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21. SHARE-BASED PAYMENTS (CONTINUED)

(b) Performance rights (continued)

During the year, 100,000 performance rights (2023: Nil) have vested and converted into shares at nil consideration. 25,000 performance rights have been cancelled (2023: Nil) during the year upon termination of one employee during the year.

Valuation of performance rights

Performance rights are issued for nil consideration and the terms of the performance rights is determined by the Board at its absolute discretion. Performance rights are subject to lapsing if performance conditions are not met by relevant measurement date or expiry date as specified or if employment is terminated. The fair value of performance rights has been calculated at the grant date and is allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of fair value of the rights allocated to this reporting period.

During the year, the total value of $4,309,573 (2023: $27,242) has been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

21. SHARE-BASED PAYMENTS (CONTINUED)

(c) Performance rights (continued)

Set out below are the vesting conditions for each category of performance rights:

PR ID #	Vesting conditions
PRA	The earlier of the second anniversary of the Commencement Date and either the acquisition of a major asset or the completion of a drill program of not less than 2,000 metres on any of the existing Company assets
PRB	The earlier of the second anniversary of the Commencement Date and either the completion of a drill program of not less than 2,000 metres on the major asset, or announcing to the ASX the estimation of JORC Resource on any of the existing Company assets
PRC	The earlier of the second anniversary of the Commencement Date and the achievement of a share price of 75c or greater over a consecutive 20 day VWAP period
PRE PRF PRG	Upon remaining an officeholder, employee or consultant of the Company (or a wholly owned subsidiary of the Company) at all times up to and including the Milestone dates
PRH	Upon the Company achieving a market capitalisation of at least $30 million for a period not less than 20 consecutive days on which trades in the Company's shares actually occur
PRI	Upon achievement of 20-day VWAP equalling or exceeding $0.40 share price
PRJ	Upon achievement of 20-day VWAP equalling or exceeding $0.40 share price
PRK	Upon continuous employment with the Company (or related body corporate) or otherwise engaged by the Company (or related body corporate) at all times until 30 June 2025
PRL	Upon continuous employment with the Company until 19 February 2027 and announcement of JORC Mineral Resource Estimate of at least 45Moz at a grade of not less than 180g/t Silver equivalent
PRM	Upon continuous employment with the Company until 19 February 2027 and announcement of JORC Mineral Resource Estimate of at least 70Moz at a grade of not less than 180g/t Silver equivalent
PRN	Upon continuous employment with the Company until 19 February 2027 and announcement of JORC Mineral Resource Estimate of at least 100Moz at a grade of not less than 180g/t Silver equivalent
PRO	Upon announcement of JORC Mineral Resource Estimate of at least 45Moz at a grade of not less than 180g/t Silver equivalent
PRP	Upon announcement of JORC Mineral Resource Estimate of at least 70Moz at a grade of not less than 180g/t Silver equivalent
PRQ	Upon announcement of JORC Mineral Resource Estimate of at least 100Moz at a grade of not less than 180g/t Silver equivalent
PRR	Upon continuous engagement by the Company until 17 April 2026 and the Company's share achieving a 20-day VWAP of $0.75 or greater prior to 30 April 2028
PRS	Upon continuous engagement by the Company until 17 April 2026 and the Company's share achieving a 20-day VWAP of $1.00 or greater prior to 30 April 2028
PRT	Upon continuous engagement by the Company until 17 April 2026 and the announcement of a positive Scoping, Pre-Feasibility or Feasibility Study (as defined in the JORC Code 2012 as may be amended from time to time) on the Cerro Bayo Project on or before 30 April 2028.
PRU	Upon remaining as a director, employee or contractor of the Company (or related body corporate) up to and including 19 February 2027

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22. CASH FLOW INFORMATION

Reconciliation of loss after income tax expense to net cash used in operating activities for the financial years ended 30 June 2024 and 2023 are set out below:

		2024 $	2023 $
Loss before income tax expense		(10,125,434)	(1,664,542)
Non-cash items			
Depreciation and amortisation expense		145,207	27,779
Depreciation - accelerated expense - low value assets		-	71
Impairment		1,429,961	-
Interest expense		390,477	2,171
Share based payments expense	21(b)	4,309,573	168,628
Shares issued to consultants		-	315,000
Interest income		(190,314)	-
Foreign currency loss		75,313	-
Changes in current assets and liabilities			
(Increase)/decrease in trade and other receivables and other receivables		(286,824)	15,522
Increase in trade and other payables		315,091	24,186
Increase in provisions – current		37,444	
Net cash used in operating activities		**(3,899,506)**	**(1,111,185)**

Non-cash investing and financing activities

There were no other significant non-cash investing and financing activities, except those disclosed in Note 12 and Note 18.

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23. BASIC AND DILUTED LOSS PER SHARE

	2024 Cents	2023 Cents
Basic and diluted loss per share	**(14.98)**	**(4.33)**

	2024 $	2023 $
Loss after income tax attributable to the owners of the Company	(10,125,434)	(1,664,542)

	2024 Number	2023 Number
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	67,604,997	38,456,538

Options and performance rights on issue at reporting date could potentially dilute loss per share in the future. The effect of these options and performance rights are anti-dilutive and as such have been excluded in the calculation of loss per share of the Company for years ended 30 June 2024 and 2023.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's principal financial instruments comprise cash and cash equivalents, receivables, other assets, trade and other payables and borrowings. The Group has various creditors, which arise directly from its operations. For the period under review, it has been the Group's policy not to trade in financial instruments.

Risk exposure and responses

The Group manages its exposures to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The main risks arising from the Group's financial instruments are: market risk (including interest rate risk, and foreign exchange risk), credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

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24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Group's exposure to market risk for changes in interest rates primarily to the Group's cash deposits and borrowings. Cash and cash equivalents are subject to floating interest rates while borrowings are based on fixed rate debt. The Group constantly analyses its interest rate exposure and is of the view that there is no significant exposure to changes in market interest rates at the reporting date.

As at the reporting date, the Group's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below:

2024	Floating interest rate $	Fixed interest rate $	Non-interest bearing $	Total carrying amount $
Financial assets				
Cash and cash equivalents	9,924,422	-	-	9,924,422
Trade and other receivables	-	-	152,172	152,172
Other assets	-	-	85,034	85,034
Other receivables	-	5,888,230	-	5,888,230
Total financial assets	**9,924,422**	**5,888,230**	**237,206**	**16,049,858**
Financial liabilities				
Trade and other payables	-	-	(1,060,931)	(1,060,931)
Borrowings	-	(112,628)	-	(112,628)
Total financial liabilities	**-**	**(112,628)**	**(1,060,931)**	**(1,173,559)**
Net financial assets/(liabilities)	**9,924,422**	**5,775,602**	**(823,725)**	**14,876,299**

2023	$	$	$	$
Financial assets				
Cash and cash equivalents	2,678,831	-	-	2,678,831
Trade and other receivables	-	-	29,311	29,311
Other assets	-	-	60,033	60,033
Total financial assets	**2,678,831**	**-**	**89,344**	**2,768,175**
Financial liabilities				
Trade and other payables	-	-	(153,511)	(153,511)
Borrowings	-	(31,212)	-	(31,212)
Total financial liabilities	**-**	**(31,212)**	**(153,511)**	**(184,723)**
Net financial assets/(liabilities)	**2,678,831**	**(31,212)**	**(64,167)**	**2,583,452**

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24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest rate risk exposure

	Post tax loss higher (lower)		Other comprehensive income Higher (lower)	
	30 June 2024	30 June 2023	30 June 2024	30 June 2024
	$	$	$	$
Judgement of reasonably possible movements:				
+0.25% (25 basis points)	39,250	6,619	-	-
-0.25% (25 basis points)	(39,250)	(6,619)	-	-

Foreign currency risk

The Group is exposed to currency risk arising from exchange rate fluctuations on purchases that are denominated in currency other than the respective functional currencies of the Group entities, primarily Australian dollars and Chilean Pesos. The Group does not have a hedging policy in place.

There was no significant foreign currency gain or loss recorded in the Group during the current or prior financial years.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and arises from the financial assets of the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group holds majority of its cash and cash equivalents with banks and financial institution counterparties with acceptable credit ratings of AA+ or above.

The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of the financial assets (as outlined in each applicable note).

Significant concentration of credit risk is in relation to cash and cash equivalents with Australian bank and receivable from Mandalay.

Liquidity Risk

Liquidity risk arises from the financial liabilities of the Group and the subsequent ability to meet the obligations to repay the financial liabilities as and when they fall due.

The Group manages liquidity risks by monitoring forecast cash flows, only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets. The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Group currently has borrowings with a remaining term of over 12 months but less than 24 months. Refer to Note 16 for details. All other financial liabilities are expected to be settled within 12 months.

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25. FAIR VALUE MEASUREMENT

For all financial assets and liabilities recognised in the Consolidated Statement of Financial Position, carrying amount approximates fair value unless otherwise specified in the applicable notes.

The methods for estimating fair values are outlined in the relevant notes to financial statements.

The Group uses various methods in estimating fair value of financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from price)

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Quoted market price (Level 1) $	Valuation technique market observable inputs (Level 2) $	Valuation technique non-market observable inputs (Level 3) $	Total $
2024				
Financial assets – at amortised cost				
Other receivables	-	5,888,230	-	5,888,230
	-	**5,888,230**	**-**	**5,888,230**
2023				
Financial assets – at amortised cost				
Other receivables	-	-	-	-
	-	**-**	**-**	**-**

26. RELATED PARTY TRANSACTIONS

Parent entity

Andean Silver Limited (previously Mitre Mining Corporation Limited) is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 27.

26. RELATED PARTY TRANSACTIONS (CONTINUED)

Key management personnel

Disclosures relating to key management personnel are set out in Note 7 and the Remuneration Report included in the Directors' Report.

Transactions with related parties

The following transaction occurred with related parties:

Firefly Metals Limited

Mr Raymond Shorrocks was Chairman and Non-Executive Director of Firefly Metals Limited until 19 March 2024. Firefly Metals Limited shares office and administration services costs on normal commercial terms and conditions and sublicense agreement for part of office premises. The total fees charged to the Group amounted to $54,336 (2023: $31,763) as at 30 June 2024. The balance outstanding as at 30 June 2024 was $Nil (2023: $Nil).

There were no other related party transactions during the year.

27. INTEREST IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 2.

Name	Country of incorporation	Ownership interest (%)	
		2024	2023
Bellpark Minerals Pty Ltd	Australia	100	100
Mitre Mining Chile Pty Ltd	Australia	100	-
Equus Resources Pty Ltd	Australia	100	-
Mitre Mining (Chile) SpA	Chile	100	-
Equus Resources (Chile) SpA	Chile	100	-
Minera Equus (Chile) SpA	Chile	100	-
Compania Minera Cerro Bayo SpA	Chile	100	-

28. PARENT ENTITY DISCLOSURE

Set out below is the supplementary information about the parent entity.

	2024	2023
	$	$
Statement of profit or loss and other comprehensive income		
Loss after income tax	(8,582,096)	(1,664,562)
Total comprehensive loss	(8,582,096)	(1,664,562)

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28. PARENT ENTITY DISCLOSURE (CONTINUED)

	2024 $	2023 $
Assets		
Current assets	12,845,022	2,710,112
Total assets	19,277,525	4,411,568
Current liabilities	1,271,500	182,732
Total liabilities	1,281,561	202,560
Contributed capital		
Share capital	23,820,194	5,871,854
Reserves	5,167,224	746,512
Accumulated losses	(10,991,454)	(2,409,358)
Total contributed capital	**17,995,964**	**4,209,008**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Other contingent liabilities of the parent entity

There are no material contingent liabilities as at 30 June 2024 and 30 June 2023.

Dividends

No dividends were paid or declared during the year (2023: Nil).

29. OPERATING SEGMENTS

For management purposes, the Group is organised into operating segments determined by the location of the mineral being mined or explored, as these are the sources of the Group's major risks and have the most effect on rates of return.

The Group is organised into two operating segments based on the Group's exploration and evaluation project geographic location as follows:

(a) Chile (Gold and Silver)

Cerro Bayo Project (including the Los Domos and Cerro Diablo regional projects)

(b) Australia (Gold and Lithium)

Pilbara Project – Lithium in Western Australia

Mt Alexander Project and View Hill Project – Lithium and rare earth minerals in Western Australia

Unallocated items comprise corporate balances and transaction which includes those items supporting the business during the year, and items that cannot be directly attributed to each segment.

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29. OPERATING SEGMENTS (CONTINUED)

Operating segment information

	Chile $	Australia $	Corporate/ Unallocated $	Total $
2024				
Income	204,277	-	115,065	319,342
Total revenue	**204,277**	**-**	**115,065**	**319,342**
Impairment	(177,348)	(1,252,613)	-	(1,429,961)
Interest expense	(390,477)	-	(1,602)	(392,079)
Other expenses	(1,100,372)	-	(7,522,364)	(8,622,736)
Total expenses	**(1,668,197)**	**(1,252,613)**	**(7,523,966)**	**(10,444,776)**
Loss before income tax expense	**(1,463,920)**	**(1,252,613)**	**(7,408,901)**	**(10,125,434)**
Income tax expense				-
Loss after income tax expense				**(10,125,434)**
Segment assets	**27,453,415**	**569,658**	**9,418,080**	**37,441,153**
Segment liabilities	**(19,496,336)**	**-**	**(1,281,564)**	**(20,777,900)**
2023				
Income	-	-	10,255	10,255
Total revenue	**-**	**-**	**10,255**	**10,255**
Interest expense	-	-	(2,177)	(2,177)
Other expenses	-	-	(1,672,620)	(1,672,620)
Total expenses	**-**	**-**	**(1,674,797)**	**(1,674,797)**
Loss before income tax expense	**-**	**-**	**(1,664,542)**	**(1,664,542)**
Income tax expense				-
Loss after income tax expense				**(1,664,592)**
Segment assets		**1,451,818**	**2,959,749**	**4,411,567**
Segment liabilities	**-**	**-**	**(202,560)**	**(202,560)**

29. COMMITMENTS

Capital commitments

As at 30 June 2024, the Group has no capital commitments (2023: Nil).

Mineral tenements lease commitments

Australia

The Group pays minimal annual licence and lease fees related to its Australian tenements. These payments are discretionary; however, the Group intends to make these payments and maintain the licenses in good standing.

Australian tenement exploration commitment is approximately $91,000 per annum (2023: $33,000) for Western Australian tenements. There is no prescribed spend for the NSW tenements.

In order to maintain current rights of tenure to mining tenements, the Group will be required to perform exploration work to meet the minimum expenditure requirements. This expenditure will only be incurred should the Group retain its existing level of interest in its various exploration areas and provided access to mining tenements is not restricted. These obligations will be fulfilled in the normal course of operations, which may include exploration and evaluation activities.

Chile

There is no minimum expenditure on any of the mining claims in Chile. The Group pays annual mining claim fees due at 31 March of each year. The annual mining claims expected to be paid on 31 March 2025 is estimated to be between $435,754 - $501,117.

30. CONTINGENCIES

There are no material contingent assets or liabilities as at 30 June 2024.

31. EVENTS AFTER THE REPORTING PERIOD

On 5 July 2024, the Company issued the following securities:

- 1,132,223 Tranche 2 placement shares approved by shareholders on 28 June 2024, including 305,556 shares issued to directors, resulting in proceeds of $509,500.
- 2,250,000 performance rights, including 1,500,000 performance rights issued to a director.
- 783,333 ordinary shares from conversion of performance rights.

On 19 July 2024, the Company issued 1,000,000 shares from conversion of 1,000,000 unquoted options at $0.20 each, resulting in proceeds of $200,000.

On 4 September 2024, the Company issued 165,000 performance rights to an employee and on 6 September 2024 issued 461,539 ordinary shares in lieu of corporate advisory fees.

On 19 September, the Company issued 1,300,000 fully paid ordinary shares from conversion of 1,300,000 unquoted options at $0.40 each, resulting in proceeds of $520,000.

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33. EVENTS AFTER THE REPORTING PERIOD

On 19 September, the Company announced that it has received firm commitments totalling $25 million (before costs) via Placement of 23,809,524 ordinary shares at a share price of $1.05 per share. 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. The Placement completed on 26 September 2024.

Apart from the above, no matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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Consolidated Entity Disclosure Statements

As at 30 June 2024

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act and includes information for each entity that was part of the Group as at 30 June 2024 in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of Tax Residency

Section 295 (3A)(vi) of the Corporations Act defines tax residency as having the meaning in the *Income Tax Assessment Act* 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, Andean has applied the following interpretations:

- Australian tax residency: Andean has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5; and
- Foreign tax residency: Where necessary, Andean has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable tax legislation has been complied with (see section 295 (3A)(vii) of the Corporations Act).

Entity name	Entity Type	Country of incorporation	Ownership interest	Tax residency
Andean Silver Limited	Body corporate	Australia	Parent	Australia
Bellpark Minerals Pty Ltd	Body corporate	Australia	100%	Australia
Mitre Mining Chile Pty Ltd	Body corporate	Australia	100%	Australia
Equus Resources Pty Ltd	Body corporate	Australia	100%	Australia
Mitre Mining (Chile) SpA	Body corporate	Chile	100%	Chile
Equus Resources (Chile) SpA	Body corporate	Chile	100%	Chile
Minera Equus (Chile) SpA	Body corporate	Chile	100%	Chile
Compania Minera Cerro Bayo SpA	Body corporate	Chile	100%	Chile

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DIRECTORS' DECLARATION

(1) In the opinion of the Directors of Andean Silver Limited:

(a) the consolidated financial statements and notes thereto, and the Remuneration Report contained within the Directors' Report are in accordance with the *Corporations Act 2001* (Cth), including:

(i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulation 2001* (Cth); and

(ii) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date.

(b) there are reasonable grounds to believe that the Company will be able to pay its debt as and when they become due and payable;

(c) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b); and

(d) the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* (Cth) on page 101 is true and correct.

(2) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth).

This declaration is made in accordance with a resolution of the Board of Directors.

Raymond Shorrocks

Non-Executive Chairman

Date: 26 September 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Andean Silver Limited (former 'Mitre Mining Corporation Limited')

Opinion

We have audited the financial report of Andean Silver Limited ('the Company') and its subsidiaries (together 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including independence standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Carrying value of Exploration and evaluation assets Refer to Note 12 in the financial statements	
As at 30 June 2024, the carrying value of the Group's capitalised Exploration and evaluation assets amounted to $21,055,493 (June 2023: $1,451,818), which represented 56% of the total assets of the Group as at that date. Under the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources* ('AASB 6'), the carrying value of Exploration and evaluation assets is required to be assessed, including: • Determination of whether expenditure can be in associated with the exploration for and evaluation of mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Assessment of whether any indicators of impairment are present. If so, the judgements applied to determine and quantify any impairment loss; and • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be determined. We determined the assessment over the carrying value of Exploration and evaluation assets to be a key audit matter because the significance of these assets in the statement of financial position, and due to the significant management estimates and judgements involved in the process as mentioned in the preceding paragraph.	Our audit procedures in relation to the carrying value of Exploration and evaluation assets included: • Reviewing the Group's accounting policy in relation to exploration and evaluation expenditure to confirm it is in accordance with AASB 6; • Agreeing a sample of additions to Exploration and evaluation assets against supporting documentation to ensure that the amounts were capital in nature and in line with the Group's accounting policy; • Reviewing the rights to tenure of the areas of interest remain current at the reporting date, and that rights to tenure are expected to be renewed for tenements that will expire in the near future; • Assessing management's assessment for potential indicators of impairment as at 30 June 2024. This assessment included inquiring with management and reviewing budgets and plans to determine that the company will incur substantive expenditure on further exploration for and evaluation of mineral resources in the specific areas of interest; • Discussion with management and other relevant documentation, to assess management's determination that exploration and evaluation activities have not yet progressed to the point where the existence or otherwise of an economically viable mineral resource may be determined; and • Reviewing the related disclosures included in the financial report for their adequacy and completeness.

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Key Audit Matters (continued)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Accounting for the acquisition of Cerro Bayo and Los Domos Project at Chile

Refer to Note 12 in the financial statements</td></tr>
<tr><td>On 21 February 2024, the Group announced that it had completed the acquisition of the Cerro Bayo Project. The transaction consideration was made up of cash consideration, share issues and a deferred consideration.

The accounting for the transaction is complex and involves significant judgements in applying the accounting standards. This included management's determination that this transaction was not a business combination under AASB 3 Business Combinations ('AASB 3'), as well as the recognition and valuation of consideration paid, and the determination of the fair value of the asset acquired and liability assumed.</td><td>Our audit procedures in relation to the accounting for the acquisition included:

• Obtaining the purchase agreement and other associated documents to understand the key terms and conditions;
• Assessing management's conclusion that the transaction is an asset acquisition, rather than a business combination under AASB 3;
• Substantively testing the cash consideration and issued capital consideration against relevant supporting documentation and assess whether the fair value of the consideration is recognised correctly;
• Reviewing the appropriateness and accuracy of the fair value determination of the Exploration and evaluation asset acquired and related provision of rehabilitation assume; and
• Reviewing the adequacy and accuracy of the related disclosures.</td></tr>
<tr><td colspan="2">Valuation of Options and Performance Rights

Refer to Note 21 in the financial statements</td></tr>
<tr><td>During the year, the Group entered into the following share-based payment arrangements:
• the issue of options and performance rights to directors and employees; and
• the issue of options and performance rights to consultants for consultancy services.

The result of issuing the above options and performance rights was an increase in the Share based payment reserve of $4,420,712. Management has accounted for these arrangements in accordance with AASB 2 Share-Based Payments ('AASB 2').</td><td>Our audit procedures in relation to the accounting and valuation of options and performance rights included:

• Making enquiries of management, about the nature of and the rationale behind the instruments issued;
• Reviewing the terms and conditions of the instruments issued;
• Reviewing the valuation methodology to ensure it is in compliance with AASB 2; including verifying the mathematical accuracy of the underlying model used;
• Testing the inputs to the valuation model for reasonableness by:
    ○ obtaining evidence to justify management's judgements over key inputs; and</td></tr>
</table>

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Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
Valuation of Options and Performance Rights (continued) Refer to Note 21 in the financial statements	
We consider this to be a key audit matter because of: • the complexity of the accounting required to value the instruments; • the judgmental nature of inputs into the valuation models, including the likelihood of vesting conditions being met, and the appropriate valuation methodology to apply; • the non-routine nature of the transactions and its impact in the equity of the Company; and • the variety of conditions associated with each instrument.	○ critically evaluating the key assumptions used, considering the market, the grant-date share price and current-date share price, the expected volatility in the share price, the vesting period, and the number of instruments expected to vest. • Corroborating the accuracy and appropriateness of the accounting journals of the share-based payment expense recognised in profit or loss, Contributed equity and in the equity reserve balance; and • Reviewing the adequacy of the relevant disclosures, including the disclosures in respect of judgments made, in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024; but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of:

   i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

   ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

Responsibilities of the Directors for the Financial Report (continued)

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 33 to 47 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Andean Silver Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNER

R J MORILLO MALDONADO
Partner

Dated: 26 September 2024
Melbourne, Victoria

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ASX ADDITIONAL SHAREHOLDER INFORMATION

As at 18 September 2024

Shares

Twenty Largest Shareholders

The names of the twenty largest holders of ordinary fully paid shares are as follows:

Name	No. Shares	% of issued capital
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	18,147,424	15.56
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	9,308,764	7.98
CITICORP NOMINEES PTY LIMITED	4,263,230	3.65
UBS NOMINEES PTY LTD	3,542,215	3.04
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,104,549	2.66
SYMORGH INVESTMENTS PTY LTD <SYMORGH A/C>	3,028,143	2.60
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,129,154	1.83
SYMORGH INVESTMENTS PTY LTD <SYMORGH A/C>	1,959,280	1.68
SYMORGH INVESTMENTS PTY LTD <SYMORGH SUPER FUND A/C>	1,892,857	1.62
MRS SARAH JUNE NAYLOR	1,678,571	1.44
ALWAYS HOLDINGS PTY LTD <THE BUHAGIAR S/F A/C>	1,168,000	1.00
SYMORGH INVESTMENTS PTY LTD <SYMORGH A/C>	1,111,112	0.95
MR MARTIN ROSS HELEAN <NO 2 A/C>	1,109,194	0.95
GOLD LEAF CORPORATE PTY LTD <GOLD LEAF CORPORATE A/C>	1,086,111	0.93
SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA A/C>	1,078,318	0.92
CHARLTON WA PTY LTD <TINAMARA SUPER FUND A/C>	1,070,000	0.92
MR AARON JEREMY ROSS-CONNOLLY <THE AARON ROSS-CONNOLLY A/C>	1,002,696	0.86
MR PAUL GREGORY BROWN + MRS JESSICA ORIWIA BROWN <BROWN SUPER FUND A/C>	950,000	0.81
UBS NOMINEES PTY LTD	898,093	0.77
MR PHILLIP RICHARD PERRY	835,000	0.72
TOTAL TOP 20 HOLDERS OF FULLY PAID ORDINARY SHARES	**59,362,711**	**50.88**
TOTAL REMAINING HOLDERS BALANCE	**57,301,520**	**49.12**

Substantial Shareholders

The names and number of shares in which substantial holders and their associates have a relevant interest are:

Holder Name	No. Shares	% of issued capital
STEPHEN PARSONS	7,991,392	6.85%
THE BANK OF NOVA SCOTIA	5,871,348	5.03%

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ASX ADDITIONAL SHAREHOLDER INFORMATION

Spread

Distribution of members and their holdings of fully paid ordinary shares in Andean Silver Limited:

Range	Holders	No. Shares	% of issued capital
1 - 1,000	119	78,395	0.07
1,001 - 5,000	311	897,934	0.77
5,001 - 10,000	181	1,490,762	1.28
10,001 - 100,000	444	16,511,672	14.15
100,001 and over	149	97,685,468	83.73
Totals	**1,204**	**116,664,231**	**100.00**

Less than marketable parcels of shares

There were 20 holders of less than a marketable parcel of shares, based on the closing market price of $1.170 per share on 18 September 2024.

Options

Spread

Range	Holders	No. Options	% units
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	6	5,200,000	100.00
Totals	**6**	**5,200,000**	**100.00**

Classes

No. Options	Exercise Price	Expiry Date	Holders*
750,000	$0.20	16/12/2025	2
750,000	$0.40	16/12/2025	2
850,000	$0.40	02/02/2026	2(a)
1,000,000	$0.20	02/02/2026	3(b)
1,850,000	$0.40	19/02/2026	3(c)

* Details of holders of securities issued under an employee incentive scheme are exempt from disclosure under Chapter 4 of the Listing Rules. The names of holders and number of unquoted options held for each class where the holding was 20% or more of that class are as follows:

(a) 50% are held by Loxton Resources Pty Ltd and 50% are held by Slam Consulting Pty Ltd;

(b) 42.5% are held by Loxton Resources Pty Ltd and 42.5% are held by Slam Consulting Pty Ltd; and

(c) 54% are held by CG Nominees (Australia) Pty Ltd, 23% are held by Loxton Resources Pty Ltd and 23% are held by Slam Consulting Pty Ltd.

Performance Rights

Spread

Range	Holders	No. Performance Rights	% units
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	6	341,667	1.09
100,001 and over	16	30,915,000	98.91
Totals	**22**	**31,256,667**	**100.00**

Classes

Class	Expiry	Holders*	No. Performance Rights
PRC	23/03/2028	1	250,000
PRF	01/06/2028	1	33,333
PRG	01/06/2028	1	33,334
PRI	21/06/2028	3	9,650,000
PRJ	21/06/2028	1	2,000,000
PRK	30/07/2027	6	1,725,000
PRL	19/02/2029	9	1,533,333
PRM	19/02/2029	9	1,533,333
PRN	19/02/2029	9	1,583,334
PRO	19/02/2029	2	3,000,000
PRP	19/02/2029	2	3,000,000
PRQ	19/02/2029	2	3,000,000
PRR	30/04/2029	2	1,000,000
PRS	30/04/2029	1	500,000
PRT	30/04/2029	1	500,000
PRU	30/04/2029	1	1,000,000
PRV	01/04/2029	1	750,000
PRW	01/09/2029	1	165,000

*All Performance Rights were issued under the Company's ESIP. Details of holders of securities issued under an employee incentive scheme are exempt from disclosure under Chapter 4 of the Listing Rules.

Voting Rights

In accordance with the holding Company's constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held. On a poll, every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held. Option holders and Performance Right holders are not entitled to vote.

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ANDEAN SILVER

Restricted and Escrowed Securities

The Company does not have any restricted securities on issue.

The following fully paid ordinary shares are subject to voluntary escrow:

Expiry	No. of Escrowed Shares
06/09/2025	461,539
08/02/2025	1,250,000
19/02/2025	1,157,407

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On-market buy-back

The Company confirms that there is no current on-market buy-back.

Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be found on the Company's website at: *https://www.andeansilver.com/corporate/#governance*

Company Secretary

Maddison Cramer

Company Details

Refer to the Corporate Directory on page 1 for details of the Company's registered office address, principal place of business, telephone number and stock exchange listing.

Share Registry Details

Refer to the Corporate Directory on page 1 for details of the Company's share registry.

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SCHEDULE OF MINING TENEMENTS

The Group's interests in mining tenements as at 30 June 2024 are as follows:

Australian Projects:

Tenement No.	Location	Interest held	Registered Holder
EL9146	New South Wales	100%	Andean Silver Limited
EL9325	New South Wales	100%	Andean Silver Limited
E29/1167	Western Australia	100%*	Bellpark Minerals Pty Ltd
E45/6126	Western Australia	100%*	Bellpark Minerals Pty Ltd

** Bellpark has entered into a farm-in and joint venture agreement with Western Yilgarn NL (ASX: WYX) pursuant to which WYX has the right to earn a 95% interest in these tenements.*

Cerro Bayo Silver-Gold Project, Chile

ARROYO 1-25	LARGA 1-84
ARROYO 31-40	CASCADA 1-100
BUITRERA 61-90	ALPACA 4-15 Y 19-45
BUITRERA 91-120	GUANACA 6-17, 23-34 Y 38-87
GUANACA 101-106	LAGUNA 10-20, 30-40, 45-60, 62-80 Y 82-100
GUANACA 131-158	RIBERA 6-12, 18-24, 30-36, 41-48 Y 50-60
GUANACA 161-190	ROCA 5-15, 20-30 Y 32-100
GUANACA 191-220	PUNTA 3-15, 18-30, 33-45, 47-60, 62-75, 78-81 Y 88-90
GUANACA 221-243	ORILLA 12-15, 27-30, 37-45, 47-60 Y 62-75
JARA 1-100	EDITH 3 1/60
NIEVES 1-30	EDITH 4 1/60
NIEVES 31-60	EDITH 5 1/60
NIEVES 61-90	EDITH 6 1/60
NIEVES 91-120	EDITH 7 1/28
NIEVES 121-150	EDITH 8 1/56
LAPIZ 1-7	EDITH 9 1/56
PERRA 101-123	EDITH 10 1/38
PERRA 131-160	EDITH 11 1/60
PERRA 161-190	MIRASOL 1 1/56
PERRA 191-220	MIRASOL 2 1/36
PERRA 221-244	MIRASOL 3 1/36
CARRERA 1-37	EDITH 12 1/40
MALLINES 1-100	EDITH 13 1/60
HORQUETAS 1-75	EDITH 14 1/60
BUITRERA 1-60	EDITH 15 1/50
BRILLANTES 1-100	EDITH 16 1/50
BAYO 1-70	EDITH 17 1/43
MESETA 1-100	MIRASOL 4 1/20

SCHEDULE OF MINING TENEMENTS

AGUILA 1-100	MIRASOL 5 1/30
SINTER 1-100	MIRASOL 6 1/45
BAHIA 1-100	JOE 1 1/20
VERDE 1-60	EDITH 2 1/40
PERRA 1-66	MIRASOL 7 1/15
VICUNA 1-45	

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ANDEAN SILVER

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