



**ANDEAN**  
S I L V E R

# ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

ABN 24 645 578 454

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# CORPORATE DIRECTORY



## Non-Executive Chairman

David Southam

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[Australian Securities Exchange](#)

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[OTC Markets](#)

OTCQX Code: ADSLF

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## CHAIRMAN'S LETTER



Dear Fellow Shareholders

I am delighted to welcome you to the 2025 Annual Report for Andean Silver. While the focus of this Annual Report is about the year that was, I cannot help but being excited for the outlook of your Company due to the platform created with success in so many facets of the Company's evolution during the reporting period.

Over the past financial year, silver has continued to emerge as a key metal of tomorrow, thanks in large part to its use in so many high-technology applications and the burgeoning solar panel industry. In this regard, we may see silver recognised as a Critical Mineral in the US. The increasingly favourable demand outlook coincides with ongoing tight supply, underpinning a widely-held view that a structural deficit will support the price for a long time to come.

Given this positive macro backdrop, Andean's Board and management are determined to maximise the outstanding opportunity we have to create value at our Cerro Bayo project. This strategy centres largely on growing the existing mineral resources, targeting extensions to known mineralisation, drilling newly-discovered veins and testing regional targets. All of this activity is aimed at building a sustainable high-grade silver and gold production pipeline.

We have enjoyed immense success in implementing this strategy over the past year. Our ongoing multi-rig drilling campaign delivered a steady stream of outstanding results, culminating in a significant Mineral Resource Estimate ("MRE") increase during the financial year. The new MRE stands at a total of 111Moz of contained silver equivalent ("AgEq") at 353g/t AgEq, comprised of Indicated Resources of 1Mt at 588g/t AgEq for 18Moz contained AgEq and Inferred Resources of 8.8Mt at 330g/t AgEq for 93Moz contained AgEq. Importantly, this MRE includes 800,000oz of gold as well as 47Moz of silver.

At the time of writing, we are continuing to process incoming drilling results with the aim of publishing a further MRE update later this calendar year. This is expected to include both the resource growth drilling and the infill drilling aimed at upgrading Inferred Resources into the Indicated category.

Put simply, we have a huge amount of low-hanging fruit at Cerro Bayo. Drilling continues to identify mineralisation well beyond the current resource boundaries and in some cases has doubled the known vertical extent of the mineralisation. Our recent mapping and geophysics program continues to be highly successful in discovering potential new high-grade silver and gold prospects for future drilling and we have successfully outlined substantial new extensions to known mineralised corridors.

We clearly have immense scope to keep growing the resource and we also have the financial strength to fund this pursuit. We successfully completed an A\$30 million placement to sophisticated and institutional shareholders in July this year. This was in addition to the A\$12.2 million held at the end of June.

As we enter the new year, we are driven by our over-arching commitment to create value by growing the resource at Cerro Bayo. There can be no question about the size of the opportunity, as the exploration drilling results and geophysics continue to demonstrate. Expanding the resource not only unlocks value in its own right, but it will also help underpin favourable economic scenarios as we assess production re-start options.

On behalf of the Board, I thank our management team, staff and contractors for delivering such outstanding results over the past year. Your dedication to our task is hugely appreciated.

I also thank our shareholders for the huge support you have given Andean since we acquired the Cerro Bayo project. I look forward to reporting to you on our progress through FY2026.

David Southam  
Non-Executive Chairman

## REVIEW OF OPERATIONS

Andean Silver Limited (ASX: ASL, OTCQX: ADSLF) (“Andean” or the “Company”) is pleased to report on its activities for the year ended 30 June 2025.

### Cerro Bayo Silver-Gold Project Background

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

The Cerro Bayo Project is located in the Aysen Region in southern Chile (Figure 1). Production started in 1995, with more than 100Moz AgEq produced up until June 2017.<sup>1</sup> The Project occupies the western margin of the Deseado Massif, which is considered one of the premier epithermal gold-silver mining provinces globally, hosting world-class deposits such as Cerro Negro (Newmont) and boasts an endowment of >4.9Moz of gold and >29.9Moz of silver for a combined endowment of > 437Moz AgEq.

As part of the Acquisition, Andean received the 500,000tpa Cerro Bayo flotation plant and mining infrastructure within the Project and a +300km<sup>2</sup> mining claim package, previously operated by Equus Mining Ltd.

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, both of which are accessible by all-weather roads.



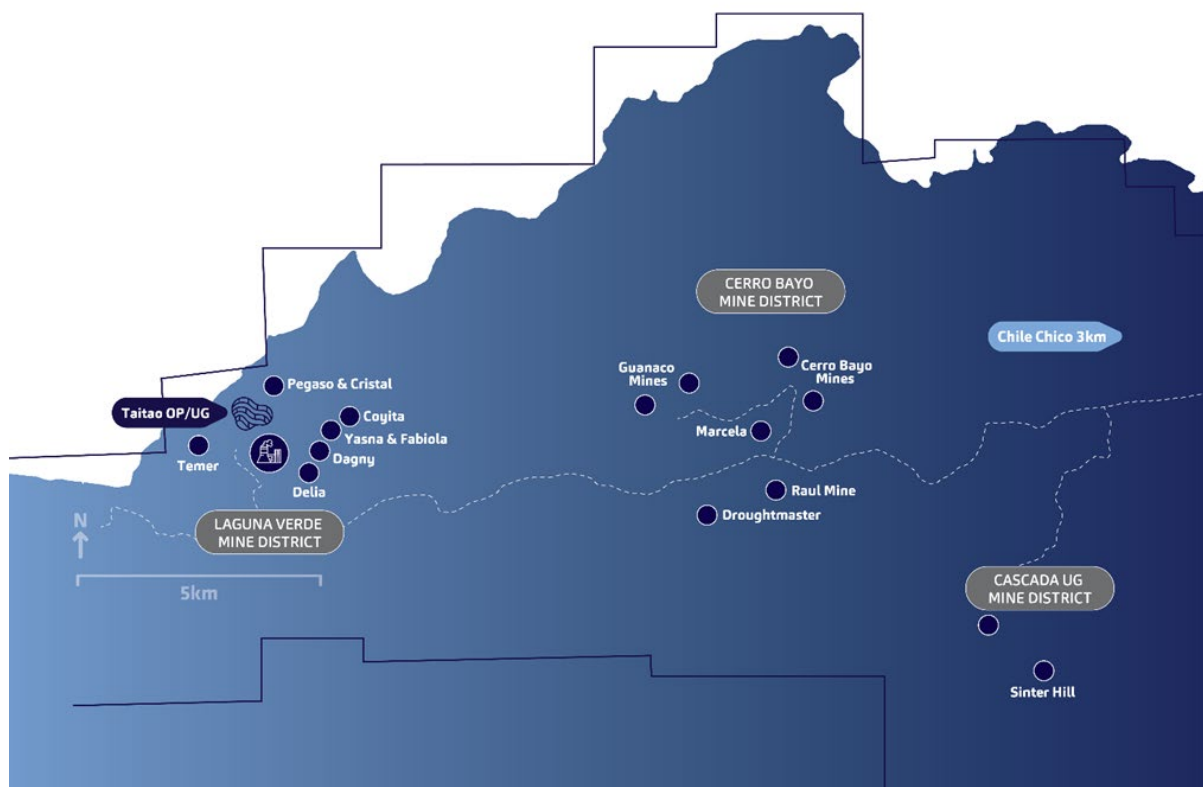
**Figure 1. Cerro Bayo Silver-Gold Project in the Aysen Region of Southern Chile.**

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

- the **Cerro Bayo mine complex** (“CBMC”), which 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”), which 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 Estimate of 2.9Mt at 171/t AgEq for 15.8Moz AgEq.

<sup>1</sup> Couer/Mandalay production reconciliations from 2002-2017 total ~7.3Mt @201g/t Ag, 2.9g/y Au for 47Moz Ag and 678koz Au (~100 Moz AgEq @83:1 ratio).





**Figure 2. Cerro Bayo Silver-Gold Project map, highlighting the location of the Cerro Bayo, Laguna Verde and Cascada Underground Mine Districts.**

Andean 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.

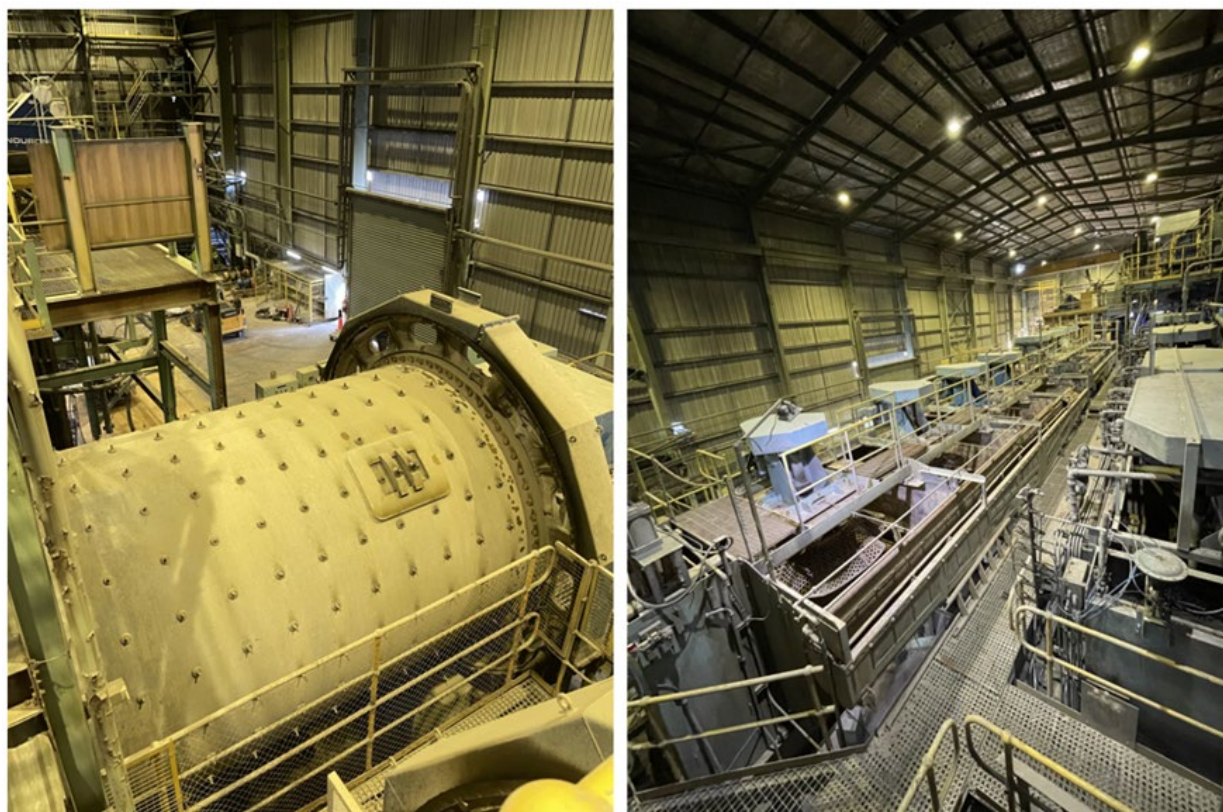
## Infrastructure

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.

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.



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

## Geology

The Cerro Bayo Project 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 exploration underspending and focus on production.

## Mineral Resource Estimate Update

The latest Mineral Resource Estimate (“MRE”) continues the strong trend of growth that the Company has been intensely focused on through its drilling and exploration campaigns over the previous 12 months. This latest increase to the Indicated and Inferred MRE to a total of 111Moz AgEq (Table 1) also demonstrates the considerable potential remaining within the Cerro Bayo tenure.

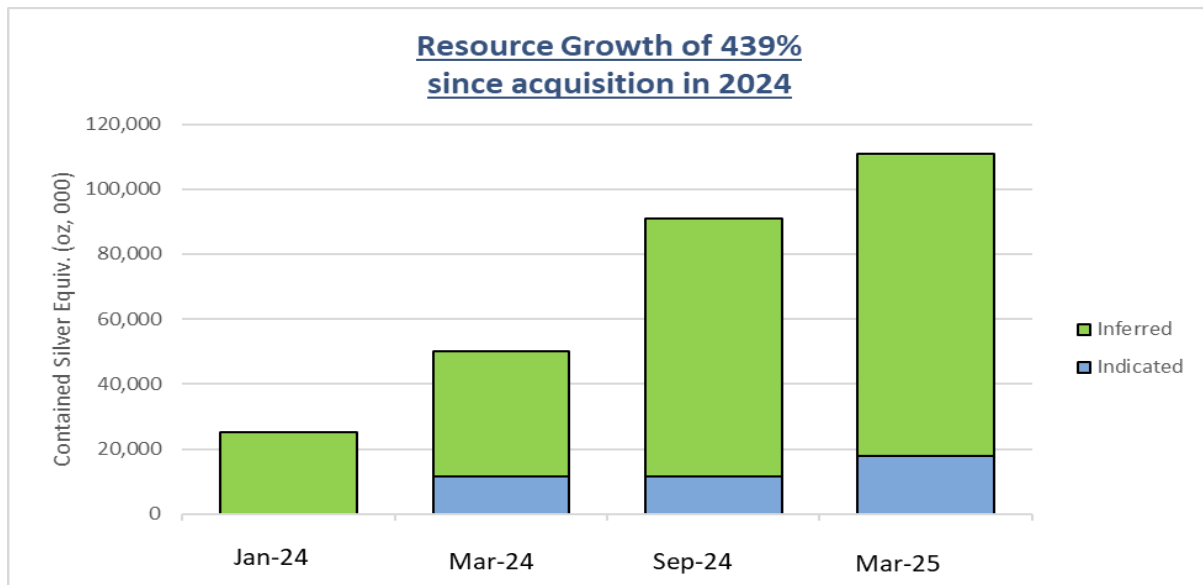
**Table 1. Cerro Bayo Project total Inferred and Indicated Resources as at 1 April 2025**

| Tonnes (Mt) | Grade    |          | Contained Metal |            | Silver Equivalent |            | Gold Equivalent |            |
|-------------|----------|----------|-----------------|------------|-------------------|------------|-----------------|------------|
|             | Ag (g/t) | Au (g/t) | Silver (Moz)    | Gold (Moz) | AgEq (g/t)        | AgEq (Moz) | AuEq (g/t)      | AuEq (Moz) |
| 9.8         | 151      | 2.4      | 47              | 0.80       | 353               | 111        | 4.3             | 1.3        |

Given recent movements in global commodity prices, of significant interest to Andean is that the MRE is comprised of approximately 0.8Moz of gold and 47Moz of silver.

## REVIEW OF OPERATIONS

Since acquisition of the Project, Andean has grown the MRE by ~439% over 14 months (Figure 4).



**Figure 4. Significant and consistent resource growth since the Project was acquired in early 2024.**

The Cerro Bayo MRE increase of 1.5Mt at 408g/t for 20Moz AgEq (239koz AuEq at 4.9g/t AuEq) includes the initial resources for the Pegaso 7 and Cristal prospects at the Laguna Verde Mine Complex (“LVMC”), which account for over 65% of the latest additions.

The drilling to update the MRE predominantly came from the Pegaso 7 and Cristal lodes, at a very low all-in cost of just ~A\$0.22 per AgEq oz:

- Pegaso 7 deposit: total MRE of 6Moz AgEq at 342g/t AgEq (4.1g/t gold equivalent (“AuEq”)), comprised of Indicated Resources of 4.1Moz AgEq at 356g/t AgEq and Inferred Resources of 1.6Moz AgEq at 306g/t AgEq. Fewer than half of the known mineralised outcropping surface veins have been drilled, with further drilling to focus on extending known mineralisation down plunge and along strike over entire +1km length.
- Cristal deposit: total MRE of 7Moz AgEq at 558g/t AgEq (6.8g/t AuEq), comprised of Indicated Resources of 1Moz at 285g/t AgEq and Inferred Resources of 6Moz at 655g/t AgEq. There is substantial scope for growth at Cristal with the resource outlined to a depth of just 200m and over a 700m strike.

Andean continues to unlock the potential of the CBMC, with the total MRE increased to 2.5Mt at 406g/t AgEq for 32.8Moz (495koz at 4.9g/t AuEq) through the addition of 6Moz at 348g/t AgEq. The growth includes resources below the historic Guanaco 1 mine which was only mined to ~100m below surface, and the unmined Lourdes North lode and Bayo Sur lodes that extend the Cerro Bayo mine a further 300m of strike to the south with access via the Pamela decline.

There are still mineralised zones within the main CBMC which remain to be evaluated (such as the Wendy zone) and brought into the resource model, as well as considerable halo mineralisation surrounding the veins to be assessed via open pit optimisations which also remain outside the current reported MRE.



# REVIEW OF OPERATIONS



## Drilling and Exploration Updates

The latest drilling results announced in June 2025 continue to demonstrate the potential within the Cerro Bayo Project area to host additional significant mineralisation, not only below the existing MRE, but next to existing underground infrastructure.

A geological review of the Cerro Bayo Project in the context of other global epithermal mineral deposits has shown that significant extensions can exist from multiple mineralising events over time. This has been observed at Cerro Bayo and will inform part of the ongoing exploration strategy.

During the next 6-12 months, the exploration team will continue to focus on:

- Combination of extensional and infill drilling to systematically target the lodes within 1.5km of the processing facility, before moving to focus on the regional resource targets of the Cerro Bayo Mine District, including the proven Marcela and Guanaco vein systems;
- Improving the Resource confidence in the Measured and Indicated categories in the Laguna Verde Mine District, supported by the recently commenced restart studies; and
- Planning for the commencement of drilling at the newly-defined Droughtmaster corridor utilising the results of the recently completed geophysical and surface mapping activities by Andean's generative team.

### Laguna Verde Mining District

Assay results from the final drill hole (CBD187) at Cristal were announced during the June 2025 quarter following completion of drilling (refer ASX release dated 24 June 2025). This hole is the deepest and most northern hole drilled into the Cristal Central prospect in the recently completed program. The highly encouraging results have proven to be some of the highest grade and thickest vein intercepts to date at Cristal Central. The results have proven the system continues at depth and remains open.

The results sit outside the current MRE for Cristal and will be factored into the next MRE update. The geology team have begun integrating the new intercepts and previous geological knowledge to guide the future drill program designed to expand the existing MRE.

The bulk of drilling sits within the top 150m from surface.

### **Significant Cristal drilling (all true width) intercepts include (Figures 5 and 6):**

- **59.6m @ 80g/t AgEq** (36g/t Ag & 0.5g/t Au) (1.0g/t. AuEq) CBD187 including:
  - **1.6m @ 1,039g/t AgEq** (587g/t Ag & 5.4g/t Au) (12.5g/t AuEq); and
  - **1.5m @ 295g/t AgEq** (153g/t Ag & 1.7 Au) (3.6g/t AuEq);
- **19.3m @ 177g/t AgEq** (34g/t Ag & 1.7g/t Au) (2.1g/t AuEq) CBD187 including:
  - **2.9m @ 451g/t AgEq** (19g/t Ag & 5.2g/t Au) (5.4g/t AuEq); and
  - **4.7m @ 315g/t AgEq** (100g/t Ag & 2.6g/t Au) (3.8g/t AuEq).

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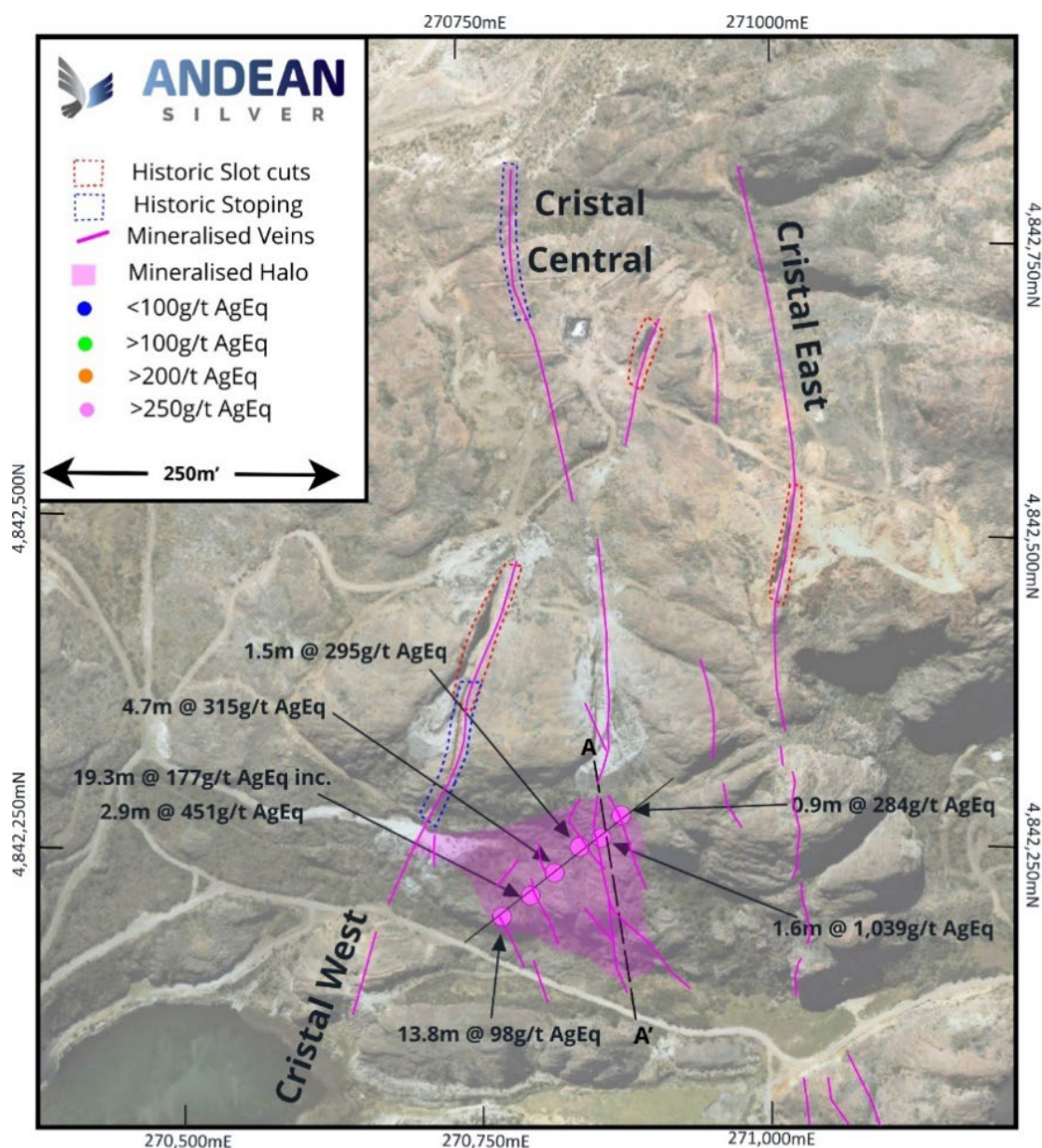
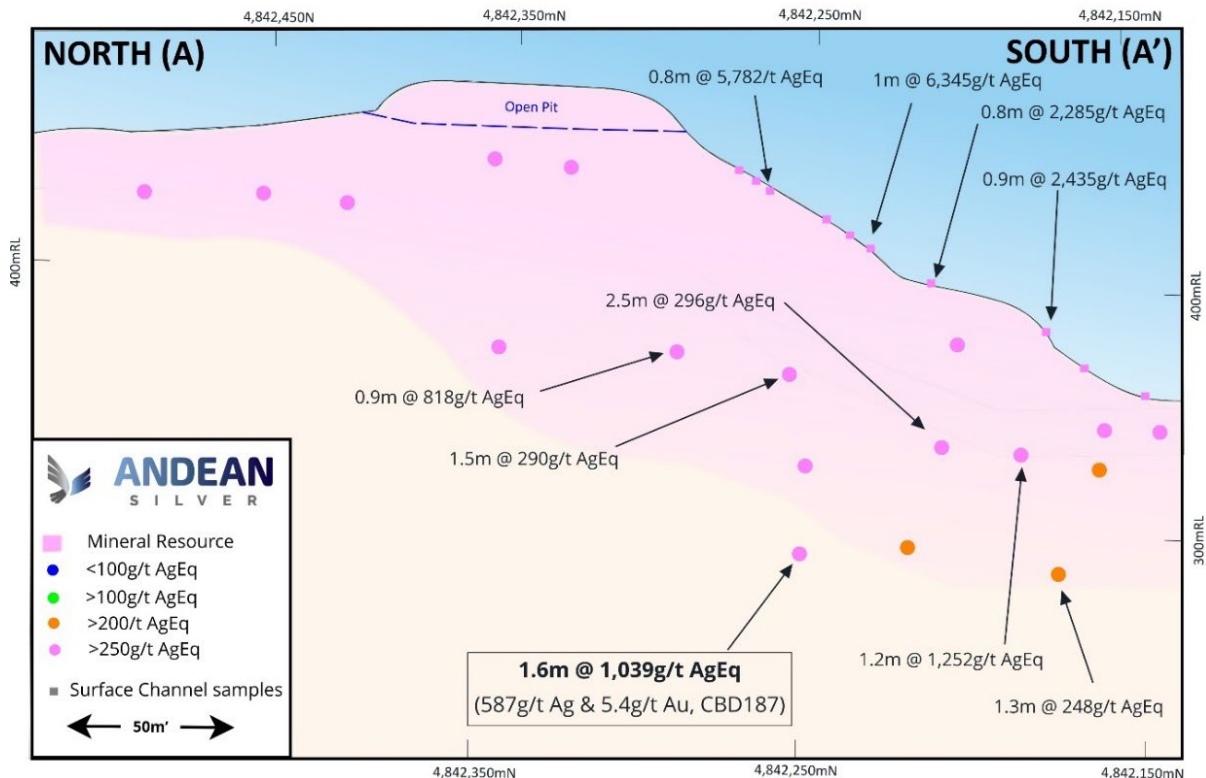


Figure 5. Cristal drilling plan view showing current intercepts of hole CBD187 against known lodes.

For previous exploration results, refer to ASX release dated 24 June 2025.

## CRISTAL CENTRAL C1 VEIN



**Figure 6. Long Section looking East of the Cristal Central C1 vein showing Andean drilling and sawn channel samples.** For previous exploration results, refer to ASX releases dated 26 March, 16 September, 31 October, and 17 December 2024, and 27 February and 24 June 2025.

### Laguna Verde Mine District - Coyita Prospect

Drilling continued to progress at the 1.2km strike Coyita North vein to test the extensions at depth beyond the known MRE and to define the interpreted shoot positions. The drilling has effectively doubled the known vertical extent of the Coyita North vein to a depth of ~200m below the existing MRE below the flat post mineral sill previously thought to be the extent of mineralisation.

Importantly, the drilling has only tested <30% of the vein strike to that depth with further drilling to test the remaining strike length.

The drilling has also successfully defined several new veins in the hanging wall and footwall of the main north vein.

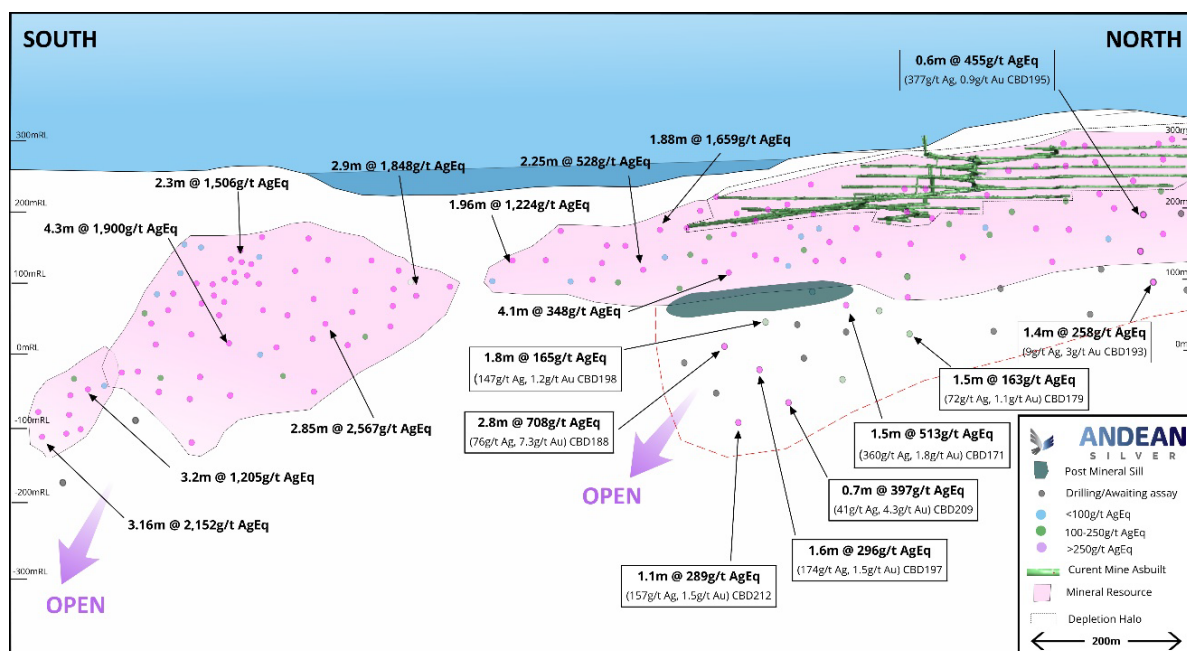
The Coyita deposit can be accessed by the historic Coyita decline and underground infrastructure that was installed between 2014-2017.

Significant intercepts to date (Figures 7 and 8) include:

- **2.8m @ 708g/t AgEq** (76g/t Ag & 7.3g/t Au) (8.2g/t AuEq) CBD188; and
- **1.5m @ 513g/t AgEq** (360g/t Ag & 1.8g/t Au) (6.2g/t AuEq) CBD171.

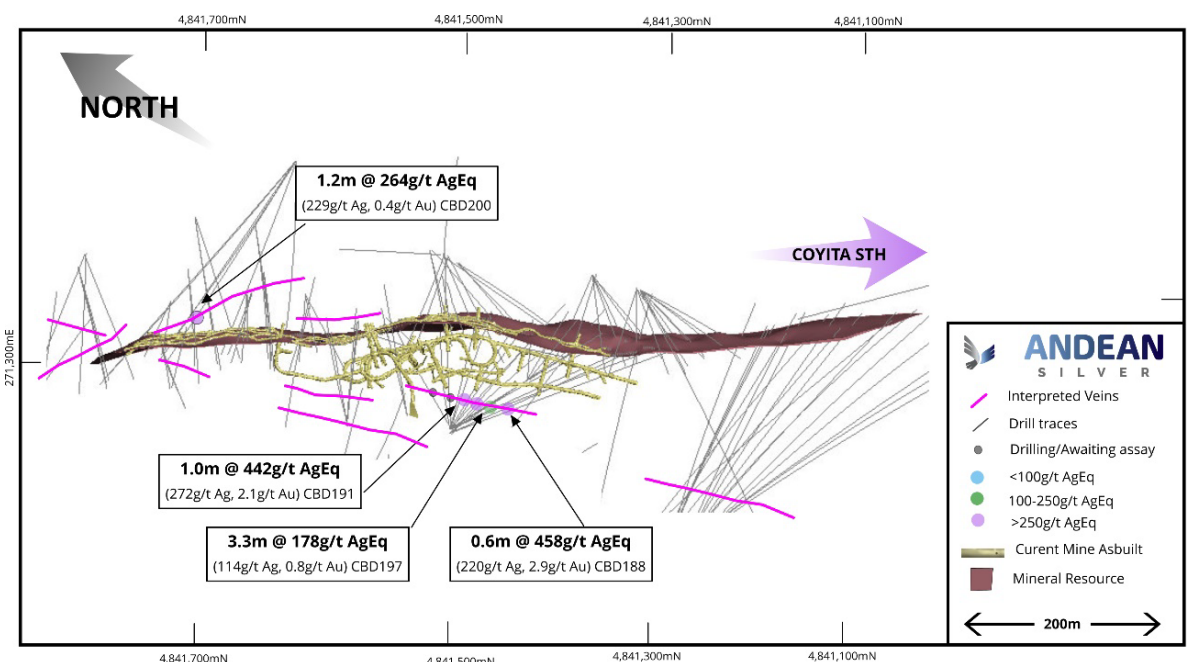
Refer to Andean's ASX announcement dated 24 June 2025.

# REVIEW OF OPERATIONS



**Figure 7. Coyita North Long Section looking West.**

For previous exploration results, refer to ASX releases dated 26 March, 16 September, 31 October, and 17 December 2024, and 27 February and 24 June 2025.



**Figure 8. Coyita plan view looking NE.**

For previous exploration results, refer to ASX release dated 24 June 2025.



# REVIEW OF OPERATIONS

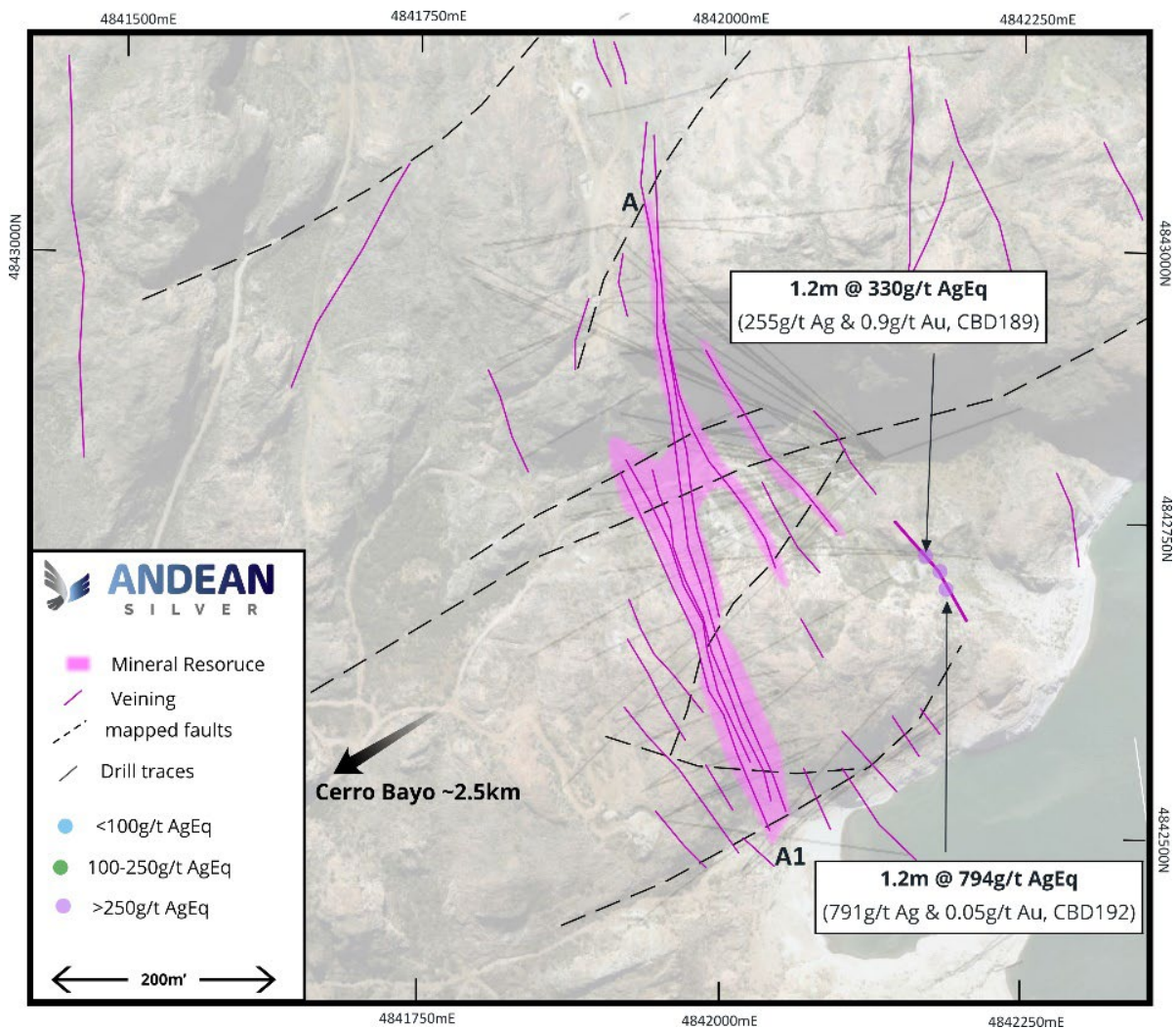
## Laguna Verde Mine District - Pegaso 7 Prospect

Drilling continued to define mineralisation at the Pegaso 7 prospect with the new discovery of several eastern veins (refer to ASX release dated 24 June 2025). These veins are covered by a thin sheet of gravels (<1m) on the drill pad and had not previously been identified by former operators, again demonstrating the untapped potential of Andean's tenure.

A number of historic deeper, high-grade intercepts, potential strike extensions of existing veins and newly discovered veins remain to be tested.

**Significant Pegaso 7 intercepts include (Figures 9 and 10):**

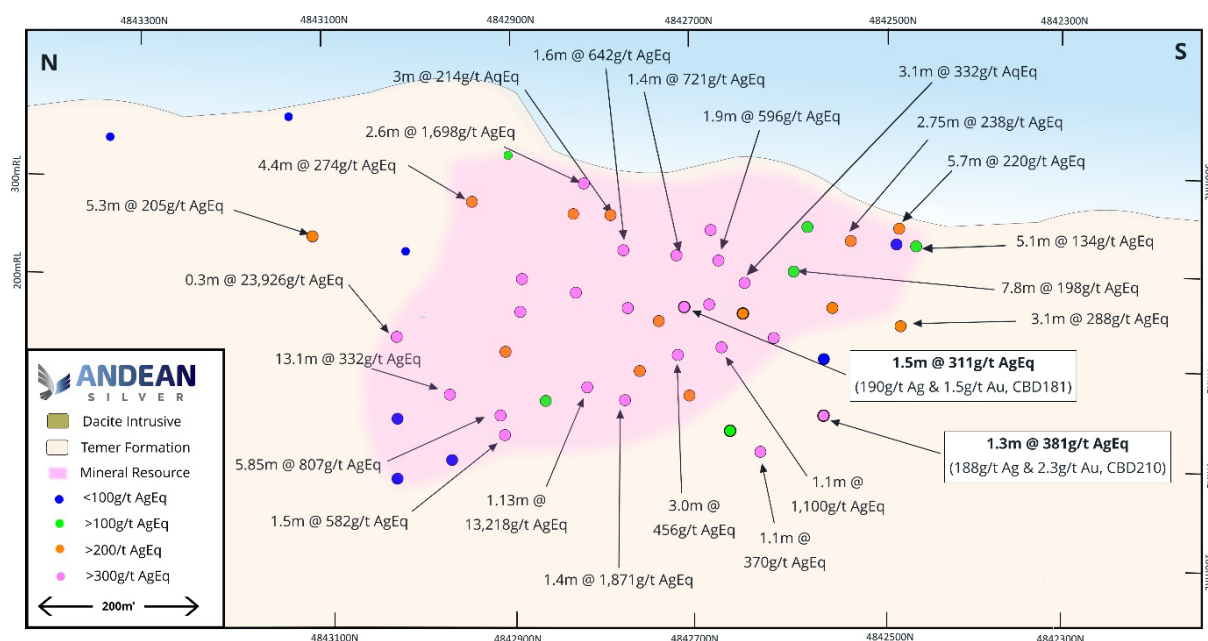
- **1.2m @ 330g/t AgEq** (255g/t Ag & 0.9g/t Au) (4.0g/t AuEq) CBD189;
- **1.2m @ 794g/t AgEq** (791g/t Ag & 0.0g/t Au) (9.6g/t AuEq) CBD192;
- **1.8m @ 311g/t AgEq** (190g/t Ag & 1.5g/t Au) (3.7g/t AuEq) CBD181; and
- **1.3m @ 381g/t AgEq** (188g/t Ag & 2.3g/t Au) (4.6g/t AuEq) CBD210.



**Figure 9. Pegaso 7 plan view showing near surface NW trending high-grade silver veining with drill intercepts in new vein extensions, intercepts within 5m vertical from surface.**

*For previous exploration results, refer to ASX release dated 24 June 2025.*

## REVIEW OF OPERATIONS



**Figure 10. Pegaso 7 long section showing NW trending high-grade silver veining with drill intercepts along the intrusive dacite dome footwall contact referred to as the P7\_1 structure. For previous exploration results, refer to ASX releases dated 18 July, 16 September, 31 October and 17 December 2024, and 24 June 2025.**

## Geophysics Program and Regional Exploration

During the year, Andean announced the results of the recently completed geophysics survey and surface geological mapping covering the Droughtmaster to Sinter Hill area (Figure 2) to identify a pipeline of greenfield exploration drilling targets that were previously not identified due to the existence of shallow cover.

***Cerro Bayo Mine District - Monserrat, Tamara, Sofia and Pasquerito veins***

Continued mapping and sampling along the Droughtmaster Corridor have identified significant further growth, extending the district a further ~1km west of the high-grade Claudia vein that was previously identified as a high priority target (refer ASX release dated 28 May 2025). With this new discovery the Droughtmaster Corridor now extends over an area 4km x 3km.

The new discoveries (Figure 12) include:

- The Monserrat vein, extending for 1.2km as a splay vein off the Claudia vein, which itself has a ~3km strike. The Monserrat vein represents the longest strike found to date within this new area.
- A previously unknown north trending vein structure, dubbed the Pasquerito vein. The undercover Pasquerito vein was identified by geophysics (Figure 11), has not yet been assayed and extends the Droughtmaster corridor boundary a further 1km to the west.
- A series of high-grade veins (Sofia and Tamara) extending from the Pasquerito vein over 500m (Figures 12 and 13).



## REVIEW OF OPERATIONS

The high-grade assays from the new vein discoveries (Figure 12) include:

- **30,202g/t AgEq** (16,833g/t Ag & 161.1g/t Au) or 364g/t AuEq;
- **13,299g/t AgEq** (5,343g/t Ag & 95.9g/t Au) or 160.2g/t AuEq;
- **7,096g/t AgEq** (3,673g/t Ag & 41.2g/t Au) or 85.5g/t AuEq;
- **3,993g/t AgEq** (1,266g/t Ag & 32.9g/t Au) or 48.1g/t AuEq; and
- **2,851g/t AgEq** (1,321g/t Ag & 18.4g/t Au) or 34.3g/t AuEq.

At key intersections of the Pasquerito vein and the northwest trending veins the field team has identified a larger 40m x 40m breccia/stockwork zone containing quartz-silver sulphosalt (Figure 11). This is a significant discovery as these zones can act as mineralisation focus points, which would point to potential for future bulk mining scenarios.

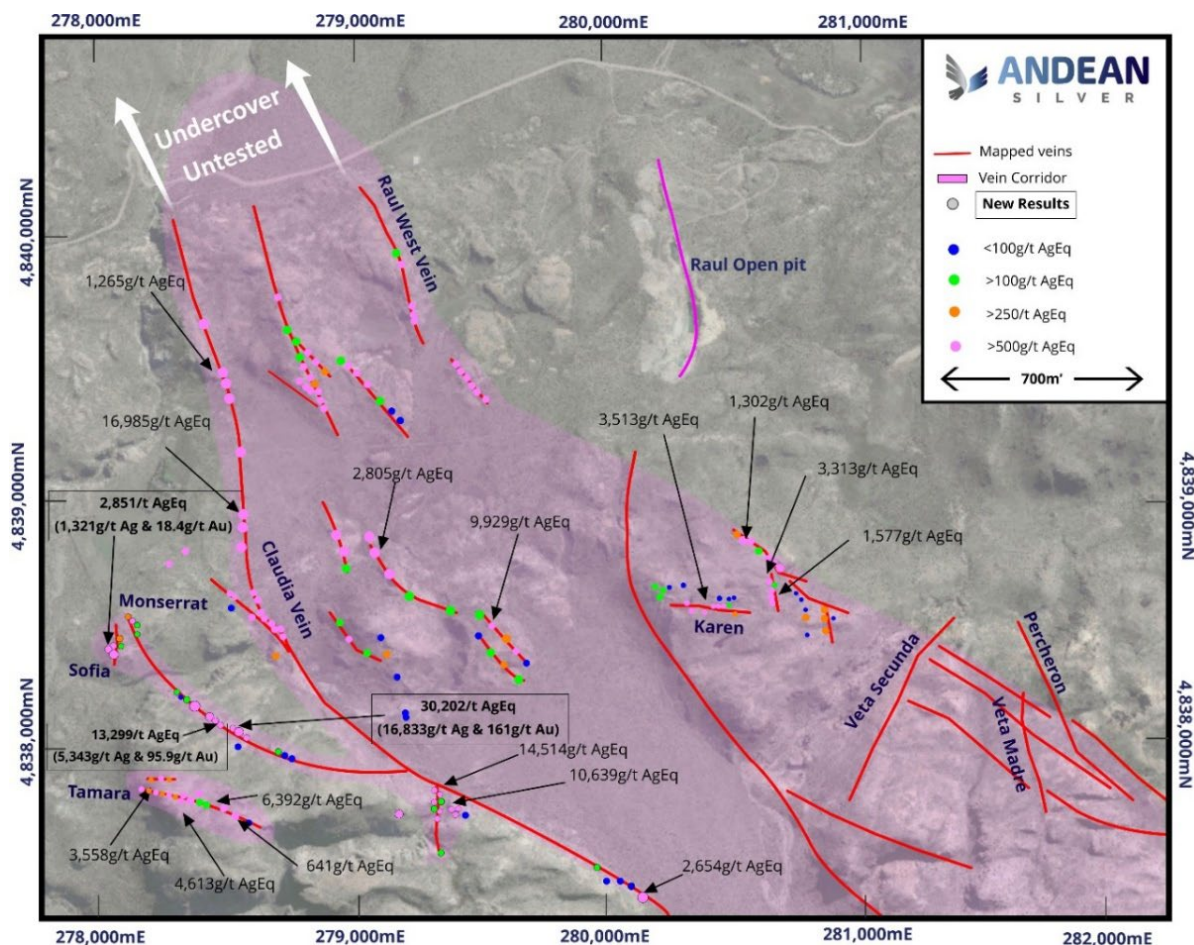
The veins display a range of key high-level epithermal characteristics, such as alteration and silver sulfosalts, which are consistent with proximity to the prospective epithermal boiling zones – a particularly important area in epithermal systems as they often contain high-grade mineralisation.

All of these key characteristics observed across the new veins, combined with the geophysical results (Figure 13), have been identified in the mined veins throughout the Cerro Bayo District and indicate the prospective nature to host economic mineralisation.

Importantly, the new discoveries have never previously been effectively mapped, sampled or drill tested during the 35 years of historic exploration on the Project.



**Figure 11. Geology team standing on the Sofia/Pasquerito breccia (40m x 40m) looking southwest at the junction of the Sofia and Monserrat Veins. Pink flagging tape in image foreground is sample ID45070 (2,851g/t AgEq).**



**Figure 12. Monserrat, Sofia and Tamara Veins extending west of the Droughtmaster Corridor.**

For previous rock chip results, refer ASX releases dated 1 December 2023, 5 August 2024, 24 January and 28 May 2025.

## Geophysics Update

The initial broad controlled-source audio-frequency magnetotellurics ("CSAMT") / audio-frequency magnetotellurics ("AMT") program has been completed over the Western Droughtmaster Corridor covering the Pampa La Perra flats area to the Claudia veins and to date has only covered 30% of the known Droughtmaster area with outstanding results (refer to ASX release dated 28 May 2025).

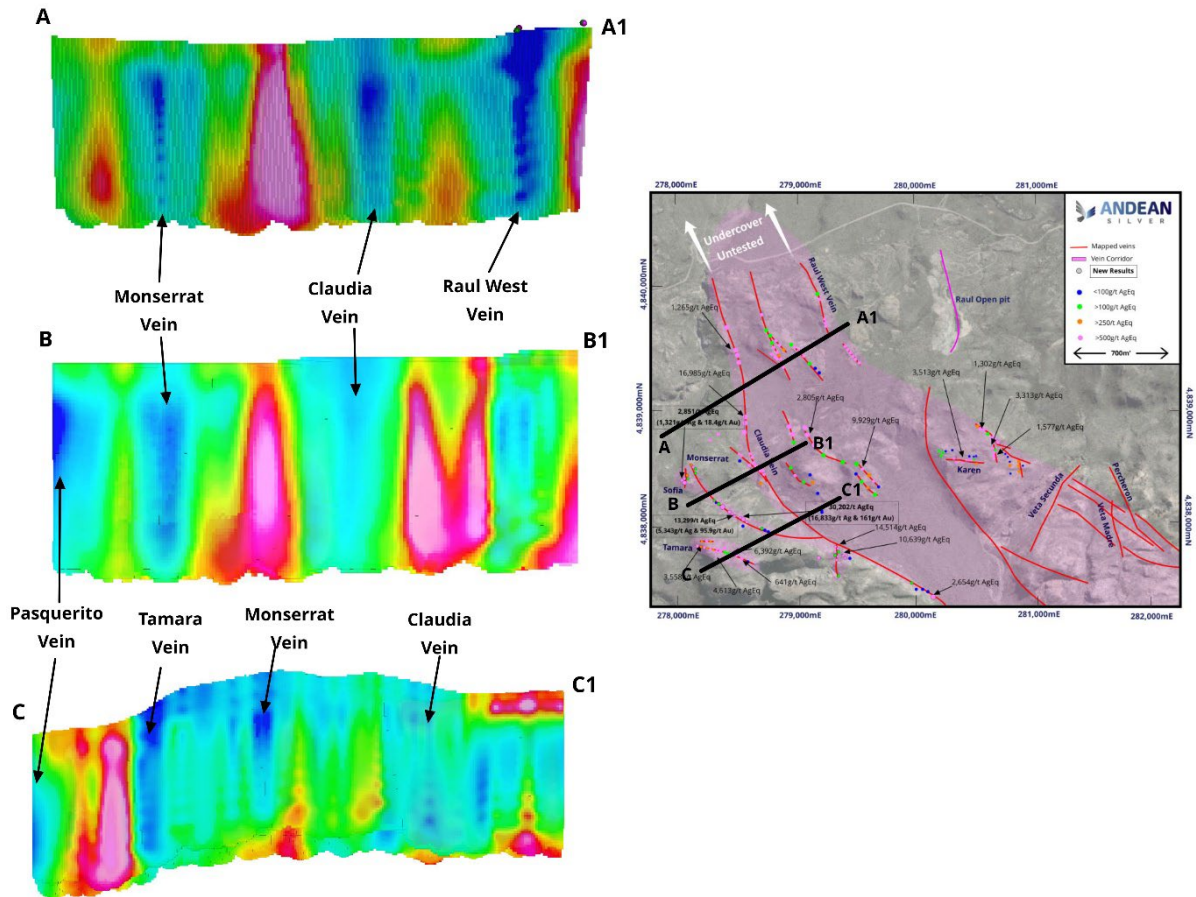
The latest survey results have:

- Effectively defined zones of enhanced resistivity (dark blue) which map the alteration zones associated with epithermal deposits over broad and continuous trends. The intensity of alteration will allow Andean to more effectively target the most prospective areas with drilling.
- The survey sections (Figure 13) extend up to 500m below surface and show the deep-rooted depth potential of the district with intense anomalies effectively defined below both outcropping and concealed vein-breccia areas.
- The Monserrat vein continues extensively below cover north from mapped outcrops (shown in A to A1 in Figure 13) increasing the exploration potential.



## REVIEW OF OPERATIONS

The geophysics campaign is set to continue following the winter period with the aim to define the remaining Droughtmaster Corridor with potential extensions of the program being planned to extend across new areas of the project.



**Figure 13. Broad spaced Resistivity covering the western portion of the Droughtmaster Corridor highlighting the depth extensions (up to 400m vertical) of the various veins that have been mapped.**

*For previous exploration results, refer ASX release dated 28 May 2025.*

### Cerro Bayo General Operations

**Care and Maintenance:** Regular operations to maintain the operational readiness of the Cerro Bayo site are being undertaken by the onsite team, along with regular compliance-related reporting and engagement with key stakeholders of the project.

## REVIEW OF OPERATIONS



### Twelve Month Strategy and News Flow

Andean has and is continuing to effectively execute an aggressive growth campaign over its 330km<sup>2</sup> of granted tenure. Over the previous 18 months of this campaign we have seen an increase of the MRE by over 439%, the discovery of multiple new vein systems, the creation of a project exploration pipeline to underpin long term growth and the re-establishment of a highly competent site team.

The Andean team aims to continue building on this growth over the coming year while advancing to the next stage of the Project. The exploration strategy for the coming 12-month period will be a combination of:

- Drilling brownfields targets for growth of the existing MRE in the Laguna Verde and Cerro Bayo Mine Districts;
- Underpinning long-term growth through project generation from regional mapping and discovery;
- Reviewing results and building a comprehensive drill campaign over the greenfield projects from target generation and geophysical campaigns;
- Commencement of broader regional exploration campaigns (mapping, sampling, target generation); and
- Commencement of internal studies which will guide the future restart planning phases.

A fleet of drill rigs has been deployed onsite for the 2025 period, as well as a highly experienced and dedicated geological team to support the work. The Company will consider increasing the number of drill rigs onsite as results from the geophysics program and mapping undergo further interpretation over the coming months.

**Table 2. News flow over coming 12 months**

|                                    |                                       | Q3 2025 | Q4 2025 | Q1 2026 | Q2 2026 |
|------------------------------------|---------------------------------------|---------|---------|---------|---------|
| Exploration and Resource Growth    | Resource Extension Drilling           |         |         |         |         |
|                                    | Cerro Bayo Geological Exploration     |         |         |         |         |
|                                    | Regional Exploration                  |         |         |         |         |
|                                    | Regional Greenfield Drilling Campaign |         |         |         |         |
| Feasibility Study and Mine Restart | Internal Scoping Study                |         |         |         |         |
|                                    | Feasibility Study                     |         |         |         |         |

*The above timetable is indicative only and is subject to change.*

# REVIEW OF OPERATIONS



## AUSTRALIAN PROJECTS

### Mount Alexander and View Hill Projects – Western Australia

Andean holds tenure (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 also holds the Mt Alexander Project (E29/1167) within the Mt Alexander Greenstone Belt, which has traditionally been associated with banded iron formations (BIF) and the delineation of some large tonnage magnetite ( $\text{Fe}_3\text{O}_4$ ) deposits.

Prior to the current reporting period, the Company (via its wholly-owned subsidiary Bellpark Minerals Pty Ltd (“Bellpark”)) 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) received 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 it 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
- 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.

No significant work was conducted by the Company on the above projects during the year. Total exploration activities spent by WYX for the year ended 30 June 2025 amounted to \$13,735.

### Pilbara Project – Western Australian

No significant work was conducted on the Pilbara Project (E45/6126) during the year.

### Araluen Project – New South Wales

During the year, the Company surrendered the Araluen tenure (EL9325) due to limited prospectivity and the business focusing primarily on activities in Chile.

Evaluations of Australian based projects are ongoing to realise the best value for the Company.

# ANNUAL MINERAL RESOURCE STATEMENT



The Annual Mineral Resource Statement is based on, and fairly represents, information and supporting documentation prepared by Mr Tim Laneyrie, and the Annual Mineral Resource Statement as a whole has been approved by Mr Laneyrie. Mr Laneyrie is a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee's ("JORC") 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves', and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Laneyrie is employed full-time by the Company as Chief Executive Officer.

## Current Mineral Resource Estimate

The latest Mineral Resource Estimate for the Cerro Bayo Project, as at 30 June 2025, which was released on 1 April 2025, is presented in the table below:

### Mineral Resource Estimate as at 30 June 2025

| Area      | Indicated   |                |                |              |            | AgEq (g/t) | AgEq (Moz) | AuEq (g/t) | AuEq (Moz) |
|-----------|-------------|----------------|----------------|--------------|------------|------------|------------|------------|------------|
|           | Tonnes (Mt) | Ag Grade (g/t) | Au Grade (g/t) | Silver (Moz) | Gold (Moz) |            |            |            |            |
| LVMC - UG | 1.0         | 331            | 3.1            | 10           | 0.1        | 588        | 18         | 7.1        | 0.2        |
|           | <b>1.0</b>  | <b>331</b>     | <b>3.1</b>     | <b>10</b>    | <b>0.1</b> | <b>588</b> | <b>18</b>  |            |            |

| Area      | Inferred    |                |                |              |            | AgEq (g/t) | AgEq (Moz) | AuEq (g/t) | AuEq (Moz) |
|-----------|-------------|----------------|----------------|--------------|------------|------------|------------|------------|------------|
|           | Tonnes (Mt) | Ag Grade (g/t) | Au Grade (g/t) | Silver (Moz) | Gold (Moz) |            |            |            |            |
| LVMC - UG | 3.3         | 174            | 3.0            | 19           | 0.3        | 421        | 46         | 5.1        | 0.5        |
| LVMC - OP | 3.0         | 38             | 1.6            | 4            | 0.2        | 171        | 16         | 2.1        | 0.2        |
| CBMC - UG | 2.5         | 197            | 2.4            | 16           | 0.2        | 393        | 31         | 4.7        | 0.4        |
|           | <b>8.8</b>  | <b>136</b>     | <b>2.3</b>     | <b>38</b>    | <b>0.7</b> | <b>330</b> | <b>93</b>  | <b>4.0</b> | <b>1.1</b> |

| Total Indicated and Inferred | Tonnes (Mt) | Ag Grade (g/t) | Au Grade (g/t) | Silver (Moz) | Gold (Moz) | AgEq (g/t) | AgEq (Moz) | AuEq (g/t) | AuEq (Moz) |
|------------------------------|-------------|----------------|----------------|--------------|------------|------------|------------|------------|------------|
|                              | <b>9.8</b>  | <b>151</b>     | <b>2.4</b>     | <b>47</b>    | <b>0.8</b> | <b>353</b> | <b>111</b> | <b>4.3</b> | <b>1.3</b> |

#### Notes:

1. LVMC means Laguna Verde Mine Complex; CBMC means Cerro Bayo Mine Complex; UG means underground and OP means open pit.
2. Open pit resources are reported to a cut-off grade of 65g/t AgEq. 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.
3. Pit optimisation shells were used to constrain the Mineral Resource Estimate using a gold price of US\$1,850/oz and Silver price of US\$24/oz.
4. Silver equivalents are calculated using the equation  $AgEq = Ag(g/t) + (83 \times Au(g/t))$  and gold equivalents are calculated based on the equation  $AuEq = Au(g/t) + (Ag(g/t) / 83)$  based on a gold price of US\$1,900/oz and Silver price of US\$23/oz. Metallurgical recoveries for gold and silver are closely linked and are typically 92-93% for gold and silver. The actual assumed metallurgical recovery rate used to calculate the metal equivalents is 90% for each of gold 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.
5. Bulk Density of 2.63g/cm<sup>3</sup> has been applied to veins and 2.57g/cm<sup>3</sup> has been applied to stockwork and waste domains.
6. 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.
7. Numbers may not add due to rounding.



# ANNUAL MINERAL RESOURCE STATEMENT



## Review of Material Changes

The Company first announced a Mineral Resource Estimate for the Cerro Bayo Project to the market on 1 December 2023, as part of the announcement regarding the proposed acquisition of the project from Equus Mining Limited. This acquisition subsequently completed on 21 February 2024. 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. Following acquisition, updates to the Mineral Resource Estimate were announced on 12 March 2024 (5.03Mt @ 311g/t AgEq for 50.2Moz AgEq) and 16 September 2024 (8.2Mt @ 342g/t AgEq for 90.7Moz).

The Company's 2024 Annual Report referred to the Mineral Resource Estimate as at 1 September 2024, as 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        |
|           | <b>0.4</b>  | <b>532</b>     | <b>4.9</b>     | <b>6.5</b>   | <b>60</b>  | <b>939</b> | <b>11.5</b> |            |            |

| 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        |
|           | <b>7.8</b>  | <b>127</b>     | <b>2.2</b>     | <b>32.1</b>  | <b>568</b> | <b>313</b> | <b>79.1</b> | <b>3.8</b> | <b>954</b> |

| 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)   |
|------------------------------|-------------|----------------|----------------|--------------|------------|------------|-------------|------------|--------------|
|                              | <b>8.2</b>  | <b>146</b>     | <b>2.4</b>     | <b>38.6</b>  | <b>628</b> | <b>342</b> | <b>90.7</b> | <b>4.1</b> | <b>1,093</b> |

#### Notes:

1. Refer to same Notes to Mineral Resource Estimate as at 30 June 2025 on previous page.

The Mineral Resource Estimate update in April 2025 (refer ASX release dated 1 April 2025) to 9.8 Mt @ 353g/t AgEq for 111Moz was made based on information and drilling within the Laguna Verde Mine Complex as well as the Cerro Bayo Mine Complex. Updates to the Mineral Resource Estimate included the re-evaluation and integration of previous drill data, historic production records, mine mapping and NI 43-101 estimates.

Compared to the Company's Mineral Resource Estimate at 1 September 2025, the Mineral Resource Estimate at 30 June 2025 increased by 1.5Mt @ 408g/t for 200Moz AgEq (239koz AuEq @ 4.9g/t AuEq) in total resources, being an 18% increase in total tonnes and 22% increase in total AgEq ounces. This growth was driven by:

- the inclusion of initial resources at the Pegaso 7 and Cristal lodes at the Laguna Verde Mine Complex, which account for over 65% of the additional resources:
  - Pegaso 7 deposit: total 6Moz AgEq @ 342g/t AgEq (4.1g/t AuEq), comprised of Indicated Resources of 4.1Moz AgEq at 356g/t AgEq and Inferred Resources of 1.6Moz AgEq at 306g/t AgEq, and
  - Cristal deposit: total 7Moz AgEq at 558g/t AgEq (6.8g/t AuEq), comprised of Indicated Resources of 1Moz at 285g/t AgEq and Inferred Resources of 6Moz at 655g/t AgEq.

# ANNUAL MINERAL RESOURCE STATEMENT



- further growth of the Laguna Verde Mine Complex resource was achieved through the addition of the Branca lode (indicated resource of 1.8Moz @ 356g/t AgEq), which enhances the case for a potential, future large scale integrated underground mine complex linking the multiple, independent historic (2011-2017) underground mines of Coyita, Delia, Dagny, Fabiola, Yasna and Dalia; and
- additional resources of 6Moz @ 348g/t AgEq at the Cerro Bayo Mine Complex, including resources below the historic Guanaco 1 mine, the unmined Lourdes Nth lode and the Bayo Sur lodes that extended the Cerro Bayo mine a further 300m of strike to the south, with access via the Pamela decline.

## 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 above have been estimated by Mr Tim Laneyrie and Andre Wulfse and are periodically peer reviewed by both internal personnel and external consultants. The Company engaged independent experts (Cube Consulting, Brian Wolfe and SRK) to review the Mineral Resource Estimates and methodology in the March 2024, September 2024 and April 2025 resource updates.

## 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. 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. 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 Laneyrie is employed full-time by the Company as Chief Executive Officer and holds performance rights and shares in the Company. Mr Andre Wulfse, a Competent Person for Mineral Resource Estimation and a Fellow of the Australasian Institute of Mining and Metallurgy, assisted with the estimation of Pegaso 7, Cristal and

the BSE/Pam lodes. Mr Wulfse is a full-time employee of the Company as a Principal Resource Geologist and holds performance rights and shares in the Company. Mr Laneyrie and Mr Wulfe have 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 Competent Persons as defined in the JORC Code. Mr Laneyrie and Mr Wulfe consent to the inclusion in this report of the matters based on their 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  $AgEq(g/t) = Ag(g/t) + (83 \times Au(g/t))$ . 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 actual assumed metallurgical recovery rate used to calculate the metal equivalents is 90% for each of gold 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.

#### Disclaimers

This report has been prepared by Andean Silver Limited based on information from its own and third-party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this report, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this report. Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, employees, servants, advisers and agents disclaim and accept no responsibility or liability for any expenses, losses, damages or costs incurred by you relating in any way to this report including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this report, its accuracy, completeness, currency or reliability. This report is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares or recommendation for subscription, purchase or sale in any jurisdiction. This report does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. Each recipient must make its own independent assessment of the Company before acquiring any shares in the Company

## DIRECTORS' REPORT



The Directors submit their report together with the consolidated financial statements of Andean Silver Limited ("Company" or "Andean"), and the entities it controlled ("Group") for the year ended 30 June 2025.

### 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 ASX-listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

#### Mr David Southam

|   |  |
|---|--|
| Position  | Non-Executive Chairman   |
| Qualifications  | B.Comm, FCPA, MAICD  |
| Appointment date  | 1 October 2024, previously appointed Non-Executive Director on 17 April 2024   |
| Resignation date  | N/A  |
| Length of service                                       | 1 year and 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, Mr Southam 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.<br>Mr Southam is currently a non-executive director of Ramelius Resources Ltd and Executive Chairman of Cygnus Metals Limited. |
| Current listed directorships                            | Ramelius Resources Ltd (ASX: RMS) – July 2018 to present<br>Cygnus Metals Limited (ASX:CY5) – November 2022 to present   |
| Former ASX listed directorships in the last three years | None   |
| Interests in shares                                     | 253,969  |
| Interest in options                                     | None   |
| Interest in performance rights                          | 3,000,000  |

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## DIRECTORS' REPORT



### Mr Raymond Shorrocks

|   |  |
|---|--|
| Position  | Non-Executive Director   |
| Qualifications  | BA (Hons), MBA (Finance)   |
| Appointment date  | 1 October 2024, previously Non-Executive Chairman on 17 April 2024, Interim Executive Director on 1 April 2023 and Non-Executive Director on 7 February 2023   |
| Resignation date  | N/A  |
| Length of service                                       | 2 years and 6 months   |
| Biography   | Mr 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.<br>Mr Shorrocks has worked on mines in South Africa, Africa, Australia and North and South America. |
| Current listed directorships                            | Galilee Energy Limited (ASX: GLL) - December 2013 to present<br>Alicanto Minerals Limited (ASX: AQI) - August 2020 to present<br>Cygnus Metals Limited (ASX: CY5) - June 2020 to present<br>Hydrocarbon Dynamics Ltd (ASX: HCD) - January 2016 to present  |
| Former ASX listed directorships in the last three years | FireFly Metals Limited (ASX FFM) – January 2020 to 19 March 2024   |
| Interests in shares                                     | 2,757,143  |
| Interest in options                                     | None   |
| Interest in performance rights                          | 1,500,000  |

### Mr Carl Travaglini

|   |  |
|---|--|
| Position  | Non-Executive Director   |
| Qualifications  | CA, ACG (CS), GAICD  |
| Appointment date  | 1 October 2023   |
| Resignation date  | N/A  |
| Length of service                                       | 1 year and 11 months   |
| 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  |

# DIRECTORS' REPORT



## Mr Patrick Gowans

|   |   |
|---|---|
| Position  | Non-Executive Director  |
| Qualifications  | LLB, BA   |
| Appointment date  | 17 April 2024, previously Non-Executive Chairman on 1 April 2021  |
| Resignation date  | N/A   |
| Length of service                                       | 4 years and 5 months  |
| Biography   | Mr Gowans is a partner of QR Lawyers, a Melbourne law firm. Mr Gowans 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   |

## COMPANY SECRETARY

### Ms Maddison Cramer

|                   |   |
|-------------------|---|
| Position          | Company Secretary   |
| Qualifications    | LLB, BA (Hons)  |
| Appointment date  | 20 March 2023   |
| Resignation date  | N/A   |
| Length of service | 2 years 5 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) 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. |

## 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 |
| David Southam     | 5                         | 5                 |
| Raymond Shorrocks | 5                         | 5                 |
| Patrick Gowans    | 5                         | 5                 |
| Carl Travaglini   | 5                         | 5                 |

On 12 June 2025, the Board resolved to establish an Audit and Risk Management Committee effective 1 July 2025, comprised of Carl Travaglini as chair, and David Southam and Patrick Gowans as members. The first Audit and Risk Management Committee meeting was held on 25 September 2025.

# DIRECTORS' REPORT



## 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.

## CORPORATE

The Group's cash position as at 30 June 2025 was \$12,236,390 (2024: \$9,924,422).

The Group's consolidated loss after income tax expense for the year ended 30 June 2025 was \$17,461,406 (2024: loss after income tax expense of \$10,125,434). The loss included the following items:

- Employee benefit expense of \$1,883,849 (2024: \$718,654);
- Consultancy expense of \$2,231,503 (2024: \$1,297,673);
- Share-based payment expense of \$4,434,026 (2024: \$4,309,573);
- Impairment of \$3,200,565, of which \$614,980 relates to write-off of Australian projects and \$2,585,585 relates to impairment of VAT receivables (2024: \$1,429,961, of which \$1,252,613 relates to the write-off of Australian projects and \$177,348 relates to impairment of VAT receivables); and
- Interest expense of \$1,236,134 (2024: \$392,079).

The Group's total assets were \$52,729,405 (2024: \$37,572,232).

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

### *Capital raisings*

On 5 July 2024, the Company issued 1,132,223 Tranche 2 Placement shares at \$0.45 each following receipt of shareholder approvals on 28 June 2024, resulting in total proceeds of \$509,500 (before share issue costs), of which \$121,000 was received in June 2024 (refer to Note 21).

On 26 September 2024, the Company completed a Placement of 23,809,524 fully paid ordinary shares at a share price of \$1.05 per share, resulting in total proceeds of \$25 million (before issue costs).

Proceeds from the issuances have been and will be utilised for the Mineral Resource Estimate conversion and exploration activities at the Cerro Bayo Project, for general working capital and corporate costs.

### *Options, Performance Rights and Restricted Stock Units*

During the year, the following options were exercised:

- 1,650,000 options were exercised at \$0.20 each and converted into 1,650,000 ordinary shares; and
- 1,300,000 options were exercised at \$0.40 each and converted into 1,300,000 ordinary shares.

During the year, the Company granted a total of 7,895,000 performance rights to Directors, employees and consultants with various vesting conditions. A total of 18,433,333 performance rights were converted into 18,433,333 ordinary shares at Nil price during the financial year and 74,837 performance rights were forfeited.

During the year, the Company also granted a total of 500,000 Restricted Stocks Units ("RSUs") to a Chilean employee. The RSUs were issued for cash consideration of \$10. These RSUs are convertible to fully paid ordinary shares in the Company upon satisfaction of certain vesting conditions.

# DIRECTORS' REPORT



## ***Acquisition of Cerro Bayo Project***

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

Following the success of the Company's \$25 million Placement during the year, the Company reached an agreement with Equus Mining Limited to settle this final deferred consideration payment for \$750,000 in cash. Final payment was made on 15 October 2024. There are no further deferred payments under the acquisition agreement.

## ***Board and Management Changes***

On 1 October 2024, Mr David Southam transitioned to Non-Executive Chairman. Mr Southam had been a Non-Executive Director since 17 April 2024 and succeeded then Non-Executive Chairman Mr Raymond Shorrocks. Mr Shorrocks remains with the Company as a Non-Executive Director.

Mr Andrew Bickley was appointed as Joint Company Secretary of the Company from 1 November 2024 and resigned on 31 July 2025.

On 9 December 2024, the Company appointed Mr Matthew Allen as the Group's Chief Financial Officer.

## ***Name Change to Andean Silver Limited***

On 5 July 2024, following shareholder approval received at the 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](http://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.

# DIRECTORS' REPORT



## ***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.

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 Resource Estimates 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 Resource Estimates 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 Resource Estimates, 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.



## DIRECTORS' REPORT



### *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, employment laws, income and other taxes and exchange controls.

### *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 implications 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.

### *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.

# DIRECTORS' REPORT



## *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 respective environmental laws and regulations of Chile and Australia linked to the underlying tenement jurisdiction. 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, operational and/or regulatory implications. The Group has implemented a number of company-wide controls to mitigate 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.

## *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 forecasts of the Group are likely to be adversely affected.

## *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.

## DIRECTORS' REPORT



### SHARE OPTIONS

Details of unlisted share options on issue as at the date of this report are as follows:

| Option ID             | Grant Date | Expiry date | Exercise Price | Number           |
|-----------------------|------------|-------------|----------------|------------------|
| OPT1                  | 16-12-2022 | 16-12-2025  | \$0.20         | 250,000          |
| OPT2                  | 16-12-2022 | 16-12-2025  | \$0.40         | 250,000          |
| OPT3                  | 02-02-2023 | 02-02-2026  | \$0.40         | 850,000          |
| OPT4                  | 02-02-2023 | 02-02-2026  | \$0.20         | 850,000          |
| OPT5                  | 29-01-2024 | 19-02-2026  | \$0.40         | 1,850,000        |
| <b>Total on issue</b> |            |             |                | <b>4,050,000</b> |

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

### PERFORMANCE RIGHTS

Details of performance rights on issue as at the date of this report are as follows:

| PR ID                 | Grant Date | Expiry Date | Number            |
|-----------------------|------------|-------------|-------------------|
| PRF                   | 01-06-2023 | 01-06-2028  | 33,333            |
| PRG                   | 01-06-2023 | 01-06-2028  | 33,334            |
| PRK                   | 27-10-2023 | 30-07-2027  | 1,000,000         |
| PRL                   | 19-02-2024 | 19-02-2029  | 1,525,000         |
| PRM                   | 19-02-2024 | 19-02-2029  | 1,525,000         |
| PRN                   | 19-02-2024 | 19-02-2029  | 1,575,000         |
| PRR                   | 24-04-2024 | 30-04-2029  | 500,000           |
| PRR                   | 28-06-2024 | 30-04-2029  | 500,000           |
| PRS                   | 24-04-2024 | 30-04-2029  | 500,000           |
| PRT                   | 24-04-2024 | 30-04-2029  | 500,000           |
| PRU                   | 28-06-2024 | 30-04-2029  | 1,000,000         |
| PRV                   | 05-07-2024 | 01-04-2029  | 750,000           |
| PRW                   | 04-09-2024 | 01-09-2029  | 165,000           |
| PRX                   | 24-12-2024 | 31-12-2028  | 2,075,000         |
| PRY                   | 24-12-2024 | 31-12-2028  | 2,075,000         |
| PRZ                   | 24-12-2024 | 31-12-2028  | 1,500,000         |
| PRAA                  | 24-12-2024 | 31-12-2028  | 333,333           |
| PRAA                  | 31-01-2025 | 31-12-2028  | 110,000           |
| PRAA                  | 02-07-2025 | 31-12-2028  | 83,333            |
| PRAB                  | 24-12-2024 | 31-12-2028  | 333,333           |
| PRAB                  | 31-01-2025 | 31-12-2028  | 110,000           |
| PRAB                  | 02-07-2025 | 31-12-2028  | 83,333            |
| PRAC                  | 24-12-2024 | 31-12-2028  | 333,334           |
| PRAC                  | 31-01-2025 | 31-12-2028  | 110,000           |
| PRAC                  | 02-07-2025 | 31-12-2028  | 83,334            |
| <b>Total on issue</b> |            |             | <b>16,836,667</b> |

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

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## DIRECTORS' REPORT



### RESTRICTED STOCK UNITS

Details of restricted stock units on issue as at the date of this report are as follows:

| RSU ID                | Grant Date | Expiry Date | Number         |
|-----------------------|------------|-------------|----------------|
| RSA                   | 05-02-2025 | 31-12-2028  | 166,666        |
| RSA                   | 02-07-2025 | 31-12-2028  | 150,040        |
| RSB                   | 05-02-2025 | 31-12-2028  | 166,667        |
| RSB                   | 02-07-2025 | 31-12-2028  | 150,041        |
| RSC                   | 05-02-2025 | 31-12-2028  | 166,667        |
| RSC                   | 02-07-2025 | 31-12-2028  | 150,041        |
| <b>Total on issue</b> |            |             | <b>950,122</b> |

No person entitled to exercise the restricted stock units had or has any right, by virtue of the restricted stock units, to participate in any share issue of the Company or of any other body corporate.

### SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of Andean Silver Limited were issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report:

| Option ID | Grant date | Exercise price | Number           |
|-----------|------------|----------------|------------------|
| OPT1      | 16-12-2022 | \$0.20         | 500,000          |
| OPT2      | 16-12-2022 | \$0.40         | 500,000          |
| OPT3      | 19-02-2023 | \$0.40         | 1,150,000        |
| OPT4      | 02-02-2023 | \$0.20         | 1,150,000        |
| OPT5      | 29-01-2024 | \$0.40         | 150,000          |
|           |            |                | <b>3,450,000</b> |

### SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

The following ordinary shares of Andean Silver Limited were issued on the exercise of performance rights during the year ended 30 June 2025 and up to the date of this report:

| PR ID | Grant date | Exercise price | Number            |
|-------|------------|----------------|-------------------|
| PRA   | 23-03-2023 | Nil            | 500,000           |
| PRB   | 23-03-2023 | Nil            | 250,000           |
| PRC   | 23-03-2023 | Nil            | 250,000           |
| PRE   | 01-06-2023 | Nil            | 33,333            |
| PRI   | 21-06-2023 | Nil            | 9,250,000         |
| PRI   | 31-08-2023 | Nil            | 400,000           |
| PRJ   | 21-06-2023 | Nil            | 2,000,000         |
| PRK   | 27-10-2023 | Nil            | 675,163           |
| PRO   | 19-02-2024 | Nil            | 3,000,000         |
| PRP   | 19-02-2024 | Nil            | 3,000,000         |
| PRQ   | 19-02-2024 | Nil            | 3,000,000         |
|       |            |                | <b>22,358,496</b> |

74,837 performance rights were forfeited during the current reporting period.



# DIRECTORS' REPORT



## 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 2 July 2025, the Company granted the following securities:

- 450,122 restricted stock units to certain Chilean employees for total cash consideration of A\$20; and
- 250,000 performance rights to a key management personnel.

On 18 July 2025, the Company announced that it had received firm commitments totalling \$30 million (before share issue costs) via a Placement of 25,000,000 ordinary shares at an issue price of \$1.20 per share to institutional and sophisticated investors. Proceeds of the Placement will be used for drilling aimed at growing the Mineral Resource Estimate in both brownfield and greenfield areas, as well as converting Inferred Resources into Measured and Indicated Resources. This work will support delivery of a mining study, metallurgical and geotechnical test work and other restart study activities. Proceeds will also fund working capital and payment of Placement costs. The Placement was completed on 25 July 2025.

Also on 18 July 2025, the Company's common shares commenced trading on the OTCQX Market under the symbol "ADSLF" giving the Company direct access to investors in North America. OTC trading is non-dilutive to existing shareholders as no new shares are being issued to enable trading to OTCQX.

On 23 July 2025, the Company issued 500,000 ordinary shares on the exercise of 500,000 options at an issue price of \$0.40 per share, resulting in proceeds of \$200,000.

On 31 July 2025, Andrew Bickley resigned as Joint Company Secretary of the Company.

On 21 August 2025, the Company issued 3,675,163 ordinary shares on the conversion of 3,675,163 performance rights for nil consideration.

On 25 August 2025, the Company issued 250,000 ordinary shares on the conversion of 250,000 performance rights for nil consideration.

There were no other matters or circumstances that have arisen since the end of the financial year which significantly affect or could 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 Group 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. To support this commitment, the Group has implemented a robust environmental monitoring system aligned with existing environmental authorisations, which reports periodically to the relevant authorities.

As of the date of this report, the Group has not received any notification or indication of potential fines or penalties for breaches of environmental compliance. The Board is aware of instances of historic non-compliance attributable to previous operators. In response, the Group has implemented comprehensive improvement plans to address all identified issues. A detailed report outlining these corrective actions have been submitted to the relevant regulatory authorities, and the Group is currently awaiting confirmation that all legacy issues have been satisfactorily addressed. The Directors are confident that the Group has adequate systems in place to manage its environmental obligations.

# DIRECTORS' REPORT



## 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.

During the year ended 30 June 2025, the Group paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts for Current Directors and Officers. The insurance premiums relate to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage.

The terms of the policy prevent disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

## 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 or 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](http://www.andeansilver.com).

## NON-AUDIT SERVICES

Details of the amount paid or payable to the auditor's audit services provided during the year are disclosed in Note 9 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.

# DIRECTORS' REPORT



## 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 2025. 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 2025. Unless otherwise indicated, the individuals were Directors or KMP for the entire financial year.

### Non-Executive Directors

|                 |   |
|-----------------|---|
| David Southam   | Non-Executive Chairman (transitioned from Non-Executive Director to Non-Executive Chairman on 1 October 2024) |
| Ray Shorrocks   | Non-Executive Director (transitioned from Non-Executive Chairman to Non-Executive Director on 1 October 2024) |
| Patrick Gowans  | Non-Executive Director  |
| Carl Travaglini | Non-Executive Director  |

### Key Management Personnel (Executives)

|                  |  |
|------------------|--|
| Timothy Laneyrie | Chief Executive Officer                                |
| Damien Koerber   | Chief Operating Officer - Americas                     |
| Matthew Allen    | Chief Financial Officer (appointed on 9 December 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 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 are 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.

### 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 remuneration consultants during the financial year.

# DIRECTORS' REPORT



## 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 11.5% during the 2025 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, as a guiding criteria. 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 result in share price growth.

#### (iii) Bonuses

There were no cash bonuses paid to KMP during the year (2024: Nil).

#### (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 ("EISP") 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.



## DIRECTORS' REPORT



### *Company Performance, Shareholder Wealth, and Director and Executive Remuneration*

The Company's 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 options and performance rights are issued under the Employee Incentive Securities 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 current financial year, no unquoted options (2024: Nil) and 3,350,000 performance rights (2024: 7,350,000) were issued to KMP.

### *Non-Executive Director Remuneration Policy and Framework*

The Company'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 \$500,000 per annum in accordance with the Company's constitution and as varied at the Annual General Meeting held on 23 November 2023.

### *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.

| Year Ended 30 June            | Units | 2025         | 2024         | 2023        |
|-------------------------------|-------|--------------|--------------|-------------|
| Market Capitalisation         | \$    | 161,949,230  | 85,110,223   | 13,605,030  |
| Closing Share Price           | \$    | 1.02         | 0.76         | 0.30        |
| Number of shares on issue     | #     | 158,773,755  | 111,987,136  | 45,350,100  |
| Income                        | \$    | 1,408,307    | 305,288      | 10,255      |
| Loss after income tax expense | \$    | (17,461,406) | (10,125,434) | (1,664,542) |

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 2024 Annual General Meeting*

The Company received 90.65% of "Yes" votes on its remuneration report for the 2024 financial year (2023: 100%). The Company did not receive any specific feedback from shareholders at the AGM or throughout the year on its remuneration practices.

## DIRECTORS' REPORT



### Details of Remuneration

The remuneration details of the KMP of Andean Silver Limited for the years ended 30 June 2025 and 2024 are set out below.

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

| 2025                             | Short-term benefits     |                        |                      | Post-employment benefits | Share-based payments |                          | Total<br>\$      | Linked to performance<br>% |
|----------------------------------|-------------------------|------------------------|----------------------|--------------------------|----------------------|--------------------------|------------------|----------------------------|
|                                  | Salaries and fees<br>\$ | Consultancy fees<br>\$ | Leave movement<br>\$ | Super-annuation<br>\$    | Options<br>\$        | Performance rights<br>\$ |                  |                            |
|                                  |                         |                        |                      |                          |                      |                          |                  |                            |
| <b>Non-Executive Chairman</b>    |                         |                        |                      |                          |                      |                          |                  |                            |
| David Southam <sup>1</sup>       | 115,822                 | 15,000                 | -                    | 11,882                   | -                    | 608,581                  | <b>751,285</b>   | 81%                        |
| <b>Non-Executive Directors</b>   |                         |                        |                      |                          |                      |                          |                  |                            |
| Raymond Shorrocks <sup>2</sup>   | 67,265                  | 20,179                 | -                    | 10,056                   | -                    | 107,403                  | <b>204,903</b>   | 52%                        |
| Patrick Gowans                   | 60,000                  | -                      | -                    | -                        | -                    | 23,979                   | <b>83,979</b>    | 29%                        |
| Carl Travaglini                  | 60,000                  | -                      | -                    | -                        | -                    | 21,480                   | <b>81,480</b>    | 26%                        |
| <b>Other KMP</b>                 |                         |                        |                      |                          |                      |                          |                  |                            |
| Timothy Laneyrie (CEO)           | 304,500                 | -                      | 13,847               | 30,000                   | -                    | 489,115                  | <b>837,462</b>   | 58%                        |
| Damien Koerber (COO)             | 250,000                 | -                      | -                    | 28,750                   | -                    | 85,777                   | <b>364,527</b>   | 24%                        |
| Matthew Allen (CFO) <sup>3</sup> | 170,952                 | -                      | 12,574               | 11,308                   | -                    | 117,015                  | <b>311,849</b>   | 38%                        |
| <b>Total</b>                     | <b>1,028,539</b>        | <b>35,179</b>          | <b>26,421</b>        | <b>91,996</b>            | <b>-</b>             | <b>1,453,350</b>         | <b>2,635,485</b> | <b>55%</b>                 |

<sup>1</sup> David Southam ("DS") transitioned from Non-Executive Director to Non-Executive Chairman effective 1 October 2024. DS received additional consultancy fees of \$15,000 for his capital management marketing services outside of his role as NED. The consultancy agreement ceased upon his appointment as Non-Executive Chairman.

<sup>2</sup> Raymond Shorrocks ("RS") transitioned from Non-Executive Chairman to Non-Executive Director effective 1 October 2024. Following his transition to NED, the Company also appointed RS as a consultant to the Company providing advice to the executive team regarding ongoing management and strategy for projects and assistance with marketing strategy. The annual consultancy fee has been agreed at \$30,000 (inclusive of superannuation). The Company paid \$20,179 as consultancy fees to RS during the year.

<sup>3</sup> Matthew Allen was appointed as Chief Financial Officer effective 9 December 2024.

## DIRECTORS' REPORT



| 2024                                | Short-term benefits     |                        |                      | Post-employment benefits | Share-based payments |                          | Total<br>\$      | Linked to performance<br>% |
|-------------------------------------|-------------------------|------------------------|----------------------|--------------------------|----------------------|--------------------------|------------------|----------------------------|
|                                     | Salaries and fees<br>\$ | Consultancy fees<br>\$ | Leave movement<br>\$ | Super-annuation<br>\$    | Options<br>\$        | Performance rights<br>\$ |                  |                            |
|                                     |                         |                        |                      |                          |                      |                          |                  |                            |
| <b>Non-Executive Chairman</b>       |                         |                        |                      |                          |                      |                          |                  |                            |
| Raymond Shorrocks <sup>1</sup>      | 209,329                 | -                      | -                    | 21,007                   | -                    | 524,029                  | <b>754,365</b>   | 69%                        |
| <b>Non-Executive Directors</b>      |                         |                        |                      |                          |                      |                          |                  |                            |
| Patrick Gowans <sup>2</sup>         | 68,330                  | -                      | -                    | -                        | -                    | 8,672                    | <b>77,002</b>    | 11%                        |
| Carl Travaglini <sup>3</sup>        | 45,000                  | -                      | -                    | -                        | -                    | 7,768                    | <b>52,768</b>    | 15%                        |
| David Southam <sup>4</sup>          | 11,212                  | 15,000                 | -                    | 1,233                    | -                    | 45,210                   | <b>72,655</b>    | 62%                        |
| Clinton Carey <sup>5</sup>          | 27,083                  | -                      | -                    | -                        | -                    | -                        | <b>27,083</b>    | -                          |
| <b>Other KMP</b>                    |                         |                        |                      |                          |                      |                          |                  |                            |
| Timothy Laneyrie (CEO) <sup>6</sup> | 61,667                  | -                      | 4,492                | 6,783                    | -                    | 82,993                   | <b>155,935</b>   | 53%                        |
| Damien Koerber (COO) <sup>7</sup>   | 98,419                  | -                      | 7,148                | 10,826                   | -                    | 37,426                   | <b>153,819</b>   | 24%                        |
| <b>Total</b>                        | <b>521,040</b>          | <b>15,000</b>          | <b>11,640</b>        | <b>39,849</b>            | <b>-</b>             | <b>706,098</b>           | <b>1,293,627</b> | <b>55%</b>                 |

<sup>1</sup> Raymond Shorrocks transitioned to Non-Executive Chairman from Interim Executive Director effective 17 April 2024.

<sup>2</sup> Patrick Gowans transitioned to Non-Executive Director from Non-Executive Chairman effective 17 April 2024.

<sup>3</sup> Carl Travaglini was appointed as Non-Executive Director on 1 October 2023.

<sup>4</sup> David Southam ("DS") was appointed as Non-Executive Director on 17 April 2024. DS received consultancy fee of \$15,000 in his capacity as a consultant to the Group.

<sup>5</sup> Clinton Carey resigned on 23 November 2023.

<sup>6</sup> Timothy Laneyrie was appointed as Chief Executive Officer effective 17 April 2024.

<sup>7</sup> Damien Koerber was appointed as Chief Operating Officer on 19 February 2024.

# DIRECTORS' REPORT



## Service Agreements - Board of Directors

| Name                | David Southam   |
|---------------------|---|
| Title               | Non-Executive Chairman ( <i>previously appointed as Non-Executive Director on 17 April 2024</i> )   |
| Agreement commenced | 17 April 2024   |
| Term of agreements  | Unspecified   |
| Details             | <p><i>Director</i></p> <ul style="list-style-type: none"> <li>Director fees of \$150,000 per annum (inclusive of superannuation) effective 1 October 2024 (<i>previously \$60,000 (inclusive of superannuation) per annum from 17 April 2024 to 30 September 2024</i>).</li> <li>Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li> <li>Eligible to participate in the Company's Employee Incentive Securities Plan.</li> <li>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.</li> </ul> <p><i>Consultant</i></p> <ul style="list-style-type: none"> <li>Existing consultancy agreement ceased upon his appointment as Non-Executive Chairman effective 1 October 2024. David Southam received \$15,000 consultancy fee from period 1 July 2024 to 30 September 2024.</li> </ul> |

| Name                | Raymond Shorrocks   |
|---------------------|---|
| Title               | Non-Executive Director ( <i>previously appointed as Non-Executive Chairman on 17 April 2024</i> )   |
| Agreement commenced | 17 April 2024   |
| Term of agreement   | Unspecified   |
| Details             | <p><i>Director</i></p> <ul style="list-style-type: none"> <li>Director fees of \$60,000 per annum (inclusive of superannuation) effective 1 October 2024 (<i>previously \$120,000 (inclusive of superannuation) per annum from 17 April 2024</i>).</li> <li>Previous Base Salary as Interim Executive Director from 1 October 2023 to 16 April 2024 was \$225,000 per annum (exclusive of superannuation).</li> <li>Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li> <li>Eligible to participate in the Company's Employee Incentive Securities Plan.</li> <li>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.</li> </ul> <p><i>Consultant</i></p> <ul style="list-style-type: none"> <li>Consulting fee of \$30,000 per annum effective from 1 October 2024.</li> <li>Services defined as management consulting services, including providing advice to the executive team with ongoing management and strategy for projects, assistance with marketing strategy and input into presentations, attendance on an observer basis and other items directed from the Chairman of the Board.</li> <li>Notice period to terminate is 3 months.</li> </ul> |



## DIRECTORS' REPORT

|                            |   |
|----------------------------|---|
| <b>Name</b>                | <b>Patrick Gowans</b>   |
| <b>Title</b>               | Non-Executive Director  |
| <b>Agreement commenced</b> | 22 March 2021   |
| <b>Term of agreement</b>   | Unspecified   |
| <b>Details</b>             | <ul style="list-style-type: none"> <li>• Director fee of \$60,000 per annum</li> <li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li> <li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li> <li>• 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.</li> </ul> |

|                            |  |
|----------------------------|--|
| <b>Name</b>                | <b>Carl Travaglini</b>   |
| <b>Title</b>               | Non-Executive Director   |
| <b>Agreement commenced</b> | 1 October 2023   |
| <b>Term of agreement</b>   | Unspecified  |
| <b>Details</b>             | <ul style="list-style-type: none"> <li>• Director fee of \$60,000 per annum.</li> <li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li> <li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li> <li>• 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.</li> </ul> |

The Board has approved an increase in remuneration of each Non-Executive Director to \$75,000 per annum inclusive of superannuation and the remuneration of the Non-Executive Chairman to \$175,000 per annum inclusive of superannuation, effective 1 July 2025.

### **Service Agreements – Other Key Management Personnel**

|                            |   |
|----------------------------|---|
| <b>Name</b>                | <b>Timothy Laneyrie</b>   |
| <b>Title</b>               | Chief Executive Officer   |
| <b>Agreement commenced</b> | 17 April 2024   |
| <b>Term of agreement</b>   | Unspecified   |
| <b>Details</b>             | <ul style="list-style-type: none"> <li>• Base fee of \$300,000 per annum, exclusive of superannuation.</li> <li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li> <li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li> <li>• Notice period to terminate is 3 months.</li> <li>• 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.</li> </ul> |

## DIRECTORS' REPORT



### *Service Agreements – Other Key Management Personnel*

|                            |   |
|----------------------------|---|
| <b>Name</b>                | <b>Damien Koerber</b>   |
| <b>Title</b>               | Chief Operating Officer   |
| <b>Agreement commenced</b> | 19 February 2024  |
| <b>Term of agreement</b>   | Unspecified   |
| <b>Details</b>             | <ul style="list-style-type: none"><li>• Base fee of \$250,000 per annum, exclusive of superannuation.</li><li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li><li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li><li>• Notice period to terminate is 3 months.</li><li>• 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.</li></ul> |

|                            |   |
|----------------------------|---|
| <b>Name</b>                | <b>Matthew Allen</b>  |
| <b>Title</b>               | Chief Financial Officer   |
| <b>Agreement commenced</b> | 9 December 2024   |
| <b>Term of agreement</b>   | Unspecified   |
| <b>Details</b>             | <ul style="list-style-type: none"><li>• Base fee of \$300,000 per annum, exclusive of superannuation.</li><li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li><li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li><li>• Notice period to terminate is 3 months.</li><li>• 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.</li></ul> |

The Board has approved an increase in remuneration of Chief Executive Officer to \$320,000 per annum inclusive of superannuation and the remuneration of the Chief Operations Officer to \$280,000 per annum inclusive of superannuation, effective 1 July 2025.

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# DIRECTORS' REPORT



## Equity Instruments held by KMP

### Ordinary Shares

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:

|                                | Balance at<br>the start of<br>year/ date of<br>appointment<br>\$ | Received<br>from exercise<br>of options/<br>performance<br>rights<br>\$ | Other<br>purchases<br>\$ | Held at date of<br>resignation<br>\$ | Balance at<br>end of<br>financial<br>year<br>\$ |
|--------------------------------|--|---|--------------------------|--------------------------------------|---|
| <b>2025</b>                    |  |   |                          |                                      |   |
| <b>Non-Executive Chairman</b>  |  |   |                          |                                      |   |
| David Southam <sup>1</sup>     | 142,857  | -   | 111,112                  | -                                    | 253,969   |
| <b>Non-Executive Directors</b> |  |   |                          |                                      |   |
| Raymond Shorrocks <sup>2</sup> | 607,143  | 2,000,000   | 150,000                  | -                                    | 2,757,143                                       |
| Patrick Gowans                 | 560,713  | -   | 44,445                   | -                                    | 605,158   |
| Carl Travaglini                | 185,714  | -   | -                        | -                                    | 185,714   |
| <b>Other KMP</b>               |  |   |                          |                                      |   |
| Timothy Laneyrie               | 394,018  | 750,000   | 111,111                  | -                                    | 1,255,129                                       |
| Damien Koerber                 | -  | -   | -                        | -                                    | -   |
| Matthew Allen <sup>3</sup>     | -  | -   | -                        | -                                    | -   |
| <b>Total</b>                   | <b>1,890,445</b>   | <b>2,750,000</b>  | <b>416,668</b>           | <b>-</b>                             | <b>5,057,113</b>                                |

<sup>1</sup>David Southam transitioned from Non-Executive Director to Non-Executive Chairman effective 1 October 2024.

<sup>2</sup>Raymond Shorrocks transitioned from Non-Executive Chairman to Non-Executive Director effective 1 October 2024.

<sup>3</sup>Matthew Allen was appointed as Chief Financial Officer effective 9 December 2024.

|                                | Balance at<br>the start of<br>year/ date of<br>appointment<br>\$ | Received<br>from exercise<br>of options/<br>performance<br>rights<br>\$ | Other<br>purchases<br>\$ | Held at date of<br>resignation<br>\$ | Balance at<br>end of<br>financial<br>year<br>\$ |
|--------------------------------|--|---|--------------------------|--------------------------------------|---|
| <b>2024</b>                    |  |   |                          |                                      |   |
| <b>Non-Executive Chairman</b>  |  |   |                          |                                      |   |
| Raymond Shorrocks <sup>1</sup> | 357,143  | -   | 250,000                  | -                                    | 607,143   |
| <b>Non-Executive Directors</b> |  |   |                          |                                      |   |
| Patrick Gowans <sup>2</sup>    | 410,713  | -   | 150,000                  | -                                    | 560,713   |
| Carl Travaglini <sup>3</sup>   | 35,714   | -   | 150,000                  | -                                    | 185,714   |
| David Southam <sup>4</sup>     | 142,857  | -   | -                        | -                                    | 142,857   |
| Clinton Carey <sup>5</sup>     | 1,240,278  | -   | -                        | (1,240,278)                          | -   |
| <b>Other KMP</b>               |  |   |                          |                                      |   |
| Timothy Laneyrie <sup>6</sup>  | -  | -   | 394,018                  | -                                    | 394,018   |
| Damien Koerber <sup>7</sup>    | -  | -   | -                        | -                                    | -   |
| <b>Total</b>                   | <b>2,186,705</b>   | <b>-</b>  | <b>944,018</b>           | <b>(1,240,278)</b>                   | <b>1,890,445</b>                                |

<sup>1</sup>Raymond Shorrocks transitioned to Non-Executive Chairman from Interim Executive Director effective 17 April 2024.

<sup>2</sup>Patrick Gowans transitioned to Non-Executive Director from Non-Executive Chairman effective 17 April 2024.

<sup>3</sup>Carl Travaglini was appointed as Non-Executive Director on 1 October 2023.

<sup>4</sup>David Southam was appointed as Non-Executive Director on 17 April 2024.

<sup>5</sup>Clinton Carey resigned on 23 November 2023.

<sup>6</sup>Timothy Laneyrie was appointed as Chief Executive Officer effective 17 April 2024.

<sup>7</sup>Damien Koerber was appointed as Chief Operating Officer on 19 February 2024.

There were no shares issued to directors and other KMP as part of compensation during the year ended 30 June 2025 (2024: Nil).

## DIRECTORS' REPORT



### Options

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:

|                                | Balance at the<br>start of year/<br>date of<br>appointment | Granted<br>during the<br>year | Exercised<br>during the<br>year | Held at date<br>of<br>resignation | Balance at<br>end of year | Vested<br>and<br>exercisable |
|--------------------------------|--|-------------------------------|---------------------------------|-----------------------------------|---------------------------|------------------------------|
| <b>2025</b>                    |  |                               |                                 |                                   |                           |                              |
| <b>Non-Executive Chairman</b>  |  |                               |                                 |                                   |                           |                              |
| David Southam                  | -  | -                             | -                               | -                                 | -                         | -                            |
| <b>Non-Executive Directors</b> |  |                               |                                 |                                   |                           |                              |
| Raymond Shorrocks              | -  | -                             | -                               | -                                 | -                         | -                            |
| Patrick Gowans                 | 500,000  | -                             | -                               | -                                 | 500,000                   | 500,000                      |
| Carl Travaligni                | -  | -                             | -                               | -                                 | -                         | -                            |
| <b>Other KMP</b>               |  |                               |                                 |                                   |                           |                              |
| Timothy Laneyrie               | -  | -                             | -                               | -                                 | -                         | -                            |
| Damien Koerber                 | -  | -                             | -                               | -                                 | -                         | -                            |
| Matthew Allen                  | -  | -                             | -                               | -                                 | -                         | -                            |
| <b>Total</b>                   | <b>500,000</b>   | <b>-</b>                      | <b>-</b>                        | <b>-</b>                          | <b>500,000</b>            | <b>500,000</b>               |

|                                | Balance at the<br>start of year/<br>date of<br>appointment | Granted<br>during the<br>year | Exercised<br>during the<br>year | Held at date<br>of<br>resignation | Balance at<br>end of year | Vested<br>and<br>exercisable |
|--------------------------------|--|-------------------------------|---------------------------------|-----------------------------------|---------------------------|------------------------------|
| <b>2024</b>                    |  |                               |                                 |                                   |                           |                              |
| <b>Non-Executive Chairman</b>  |  |                               |                                 |                                   |                           |                              |
| Raymond Shorrocks              | -  | -                             | -                               | -                                 | -                         | -                            |
| <b>Non-Executive Directors</b> |  |                               |                                 |                                   |                           |                              |
| Patrick Gowans                 | 500,000  | -                             | -                               | -                                 | 500,000                   | 500,000                      |
| Carl Travaligni                | -  | -                             | -                               | -                                 | -                         | -                            |
| David Southam                  | -  | -                             | -                               | -                                 | -                         | -                            |
| Clinton Carey                  | 1,000,000  | -                             | -                               | (1,000,000)                       | -                         | -                            |
| <b>Other KMP</b>               |  |                               |                                 |                                   |                           |                              |
| Timothy Laneyrie               | -  | -                             | -                               | -                                 | -                         | -                            |
| Damien Koerber                 | -  | -                             | -                               | -                                 | -                         | -                            |
| <b>Total</b>                   | <b>1,500,000</b>   | <b>-</b>                      | <b>-</b>                        | <b>(1,000,000)</b>                | <b>500,000</b>            | <b>500,000</b>               |

There were no options issued to directors and other KMP during the year ended 30 June 2025 (2024: Nil). No options were exercised or lapsed during the year.

Options granted carry no dividend or voting rights.



# DIRECTORS' REPORT



## Performance Rights

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:

|                                | Balance at the<br>start of year/<br>date of<br>appointment | Granted<br>during the<br>year | Exercised<br>during the<br>year | Held at date<br>of<br>resignation | Balance at<br>end of year | Vested<br>and<br>exercisable |
|--------------------------------|--|-------------------------------|---------------------------------|-----------------------------------|---------------------------|------------------------------|
| <b>2025</b>                    |  |                               |                                 |                                   |                           |                              |
| <b>Non-Executive Chairman</b>  |  |                               |                                 |                                   |                           |                              |
| David Southam                  | 1,500,000  | 1,500,000*                    | -                               | -                                 | 3,000,000                 | -                            |
| <b>Non-Executive Directors</b> |  |                               |                                 |                                   |                           |                              |
| Raymond Shorrocks              | 3,500,000  | -                             | (2,000,000)                     | -                                 | 1,500,000                 | -                            |
| Patrick Gowans                 | 300,000  | -                             | -                               | -                                 | 300,000                   | -                            |
| Carl Travaligni                | 300,000  | -                             | -                               | -                                 | 300,000                   | -                            |
| <b>Other KMP</b>               |  |                               |                                 |                                   |                           |                              |
| Timothy Laneyrie               | 3,500,000  | 1,150,000                     | (750,000)                       | -                                 | 3,900,000                 | 250,000                      |
| Damien Koerber                 | 1,250,000  | -                             | -                               | -                                 | 1,250,000                 | -                            |
| Matthew Allen                  | -  | 700,000                       | -                               | -                                 | 700,000                   | -                            |
| <b>Total</b>                   | <b>10,350,000</b>  | <b>3,350,000</b>              | <b>(2,750,000)</b>              | <b>-</b>                          | <b>10,950,000</b>         | <b>250,000</b>               |
| <b>2024</b>                    |  |                               |                                 |                                   |                           |                              |
| <b>Non-Executive Chairman</b>  |  |                               |                                 |                                   |                           |                              |
| Raymond Shorrocks              | 2,000,000  | 1,500,000                     | -                               | -                                 | 3,500,000                 | 2,000,000                    |
| <b>Non-Executive Directors</b> |  |                               |                                 |                                   |                           |                              |
| Patrick Gowans                 | -  | 300,000                       | -                               | -                                 | 300,000                   | -                            |
| Carl Travaligni                | -  | 300,000                       | -                               | -                                 | 300,000                   | -                            |
| David Southam                  | -  | 1,500,000                     | -                               | -                                 | 1,500,000                 | -                            |
| Clinton Carey                  | -  | -                             | -                               | -                                 | -                         | -                            |
| <b>Other KMP</b>               |  |                               |                                 |                                   |                           |                              |
| Timothy Laneyrie               | 1,000,000  | 2,500,000                     | -                               | -                                 | 3,500,000                 | 750,000                      |
| Damien Koerber                 | -  | 1,250,000                     | -                               | -                                 | 1,250,000                 | -                            |
| <b>Total</b>                   | <b>3,000,000</b>   | <b>7,350,000</b>              | <b>-</b>                        | <b>-</b>                          | <b>10,350,000</b>         | <b>2,750,000</b>             |

\*Shareholder approval for the issue of the Performance Rights under the EISP was obtained under ASX Listing Rule 10.14.

During the year, a total of 3,350,000 performance rights were granted to directors and other KMP (2024: 7,350,000).

Performance rights granted carry no dividend or voting rights.

## Details of share-based compensation

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.

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

## DIRECTORS' REPORT



2025

| PR ID #      | Grant date | Expiry date | Vesting conditions   | No. of performance rights | Fair value at grant date \$ |
|--------------|------------|-------------|--|---------------------------|-----------------------------|
| PRX          | 24-12-2024 | 31-12-2028  | Upon continuous employment with the Company until 30 June 2027 and the Company's shares achieving a 20-Day VWAP of \$1.40 or greater prior to 30 June 2027.  | 1,075,000                 | 896,383                     |
| PRY          | 24-12-2024 | 31-12-2028  | Upon continuous employment with the Company until 30 June 2027 and the Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent on or before 30 June 2027.              | 1,075,000                 | 1,049,000                   |
| PRZ          | 24-12-2024 | 31-12-2028  | Upon continuous employment with the Company until 30 June 2027 and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2026.     | 500,000                   | 520,000                     |
| PRAA         | 24-12-2024 | 31-12-2028  | Upon continuous employment with the Company until 31 December 2027 and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.  | 233,333                   | 145,110                     |
| PRAB         | 24-12-2024 | 31-12-2028  | Upon continuous employment with the Company until 31 December 2027 and the Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent on or before 31 December 2027.      | 233,333                   | 252,000                     |
| PRAC         | 24-12-2024 | 31-12-2028  | Upon continuous employment with the Company until 31 December 2027 and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2027. | 233,334                   | 252,000                     |
| <b>TOTAL</b> |            |             |  | <b>3,350,000</b>          | <b>3,114,493</b>            |

## DIRECTORS' REPORT



2024

| 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                   | 197,300                     |
| 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                   | 185,700                     |
| 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 2026 and the Company's shares achieving a 20-day VWAP of \$0.75 or greater prior to 30 April 2028.   | 500,000                   | 192,850                     |
| 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                     |
| <b>TOTAL</b> |            |             |   | <b>7,350,000</b>          | <b>2,323,101</b>            |

250,000 performance rights held by KMP that vested during the year were converted into ordinary shares subsequent to the end of financial year (2024: 750,000 performance rights).

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

## DIRECTORS' REPORT



### ***Other transactions with KMP and their related parties***

The following transactions and arrangements with Director related parties occurred during the current and comparative reporting periods:

Cygnus Metals Limited, a company of which David Southam and Raymond Shorrocks are directors, recharged shared office costs to the Company during the year ended 30 June 2025 totalling \$30,192 (2024: \$7,887). \$793 was owing to Cygnus Metals Limited by the Company as at 30 June 2025 (2024: \$14).

In the prior year, Alicanto Minerals Limited, a company of which Raymond Shorrocks is a director, recharged shared office costs to the Company totalling \$3,567. There were no recharged shared office costs from Alicanto Minerals Limited during the current financial year.

In the prior year, FireFly Metals Limited, a company of which Raymond Shorrocks was a director until March 2024, recharged shared office and administrative service costs to the Company totalling \$54,336. There were no recharged shared office costs from FireFly Metals Limited during the current financial year.

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 2025 (2024: Nil).

### ***Terms and conditions of transactions with related parties***

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash and are presented as part of trade payables. There have been no bank guarantees provided for any related party payables. Amounts shown are net of GST paid or payable.

### **END OF REMUNERATION REPORT (AUDITED)**

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

David Southam  
Non-Executive Chairman  
Perth, Western Australia, 25 September 2025

**RSM Australia Partners**

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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 2025, 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 AUSTRALIA PARTNERS**



**R J MORILLO MALDONADO**  
Partner

Dated: 25 September 2025  
Melbourne, Victoria

**THE POWER OF BEING UNDERSTOOD**

**AUDIT | TAX | CONSULTING**

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# 2025 FINANCIAL REPORT



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The Consolidated 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. These consolidated financial statements are presented in Australian dollars, which is Andean Silver Limited's functional and presentation currency.

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 3 to 17 and in the Directors' Report on pages 22 to 47, both of which are not part of these consolidated financial statements.

These consolidated financial statements were authorised for issue by the Directors on 25 September 2025. 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 the Company's website: [www.andeansilver.com](http://www.andeansilver.com).

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**Consolidated Statement of Profit or Loss  
and Other Comprehensive Income  
For the Year Ended 30 June 2025**



|  | NOTES | 2025<br>\$          | 2024<br>(As restated)*<br>\$ |
|--|-------|---------------------|------------------------------|
| Income   | 6     | 1,408,307           | 305,288                      |
| <b>Total income</b>  |       | <b>1,408,307</b>    | <b>305,288</b>               |
| Employee benefits expense  | 7     | (1,883,849)         | (718,654)                    |
| Compliance and regulatory expense                                    |       | (1,802,416)         | (784,607)                    |
| Consultancy expense  | 7     | (2,231,503)         | (1,297,673)                  |
| Occupancy expense  |       | (344,607)           | (133,927)                    |
| Insurance expense  |       | (402,554)           | (75,680)                     |
| Care and maintenance expense   |       | (1,038,031)         | (317,717)                    |
| Impairment and write-offs  | 7     | (3,200,565)         | (1,429,961)                  |
| Depreciation and amortisation expense                                | 7     | (387,923)           | (145,207)                    |
| Share-based payment expense  | 23    | (4,434,026)         | (4,309,573)                  |
| Interest expense   | 7     | (1,236,134)         | (392,079)                    |
| Foreign currency loss  |       | (4,996)             | (42,527)                     |
| Other administrative expenses  | 7     | (1,903,109)         | (783,117)                    |
| <b>Loss before income tax expense</b>                                |       | <b>(17,461,406)</b> | <b>(10,125,434)</b>          |
| Income tax expense   | 8     | -                   | -                            |
| <b>Loss after income tax expense</b>                                 |       | <b>(17,461,406)</b> | <b>(10,125,434)</b>          |
| <b>Other comprehensive income, net of tax</b>                        |       |                     |                              |
| <i>Items that may be reclassified subsequently to profit or loss</i> |       |                     |                              |
| Foreign currency translation – foreign operations                    |       | (544,909)           | 341,707                      |
| <b>Total comprehensive loss for the year</b>                         |       | <b>(18,006,315)</b> | <b>(9,783,727)</b>           |
| <b>Basic and diluted (loss) per share (cents)</b>                    | 21    | <b>(11.87)</b>      | <b>(14.98)</b>               |

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

\*Refer to Note 5.

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**Consolidated Statement of Financial Position**  
**As at 30 June 2025**



|   | NOTES | 2025<br>\$        | 2024<br>(As restated)*<br>\$ |
|---|-------|-------------------|------------------------------|
| <b>Current Assets</b>                                 |       |                   |                              |
| Cash and cash equivalents                             | 11    | 12,236,390        | 9,924,422                    |
| Trade and other receivables                           | 12    | 223,852           | 152,172                      |
| <b>Total Current Assets</b>                           |       | <b>12,460,242</b> | <b>10,076,594</b>            |
| <b>Non-Current Assets</b>                             |       |                   |                              |
| Other assets  |       | 62,434            | 85,034                       |
| Other receivables                                     | 13    | 6,610,468         | 5,888,230                    |
| Financial assets at fair value through profit or loss |       | 24,000            | -                            |
| Exploration and evaluation expenditure                | 14    | 29,727,203        | 18,146,382                   |
| Property, plant and equipment                         | 15    | 3,789,233         | 3,300,222                    |
| Intangibles   |       | 55,825            | 75,770                       |
| <b>Total Non-Current Assets</b>                       |       | <b>40,269,163</b> | <b>27,495,638</b>            |
| <b>Total Assets</b>                                   |       | <b>52,729,405</b> | <b>37,572,232</b>            |
| <b>Current Liabilities</b>                            |       |                   |                              |
| Trade and other payables                              | 16    | 3,511,632         | 1,060,931                    |
| Provisions  | 17    | 322,207           | 140,381                      |
| Lease liabilities                                     | 19    | 281,220           | 102,566                      |
| Deferred consideration                                | 20    | -                 | 1,000,000                    |
| <b>Total Current Liabilities</b>                      |       | <b>4,115,059</b>  | <b>2,303,878</b>             |
| <b>Non-Current Liabilities</b>                        |       |                   |                              |
| Provision for rehabilitation                          | 18    | 20,431,631        | 18,463,960                   |
| Lease liabilities                                     | 19    | 92,692            | 10,062                       |
| <b>Total Non-Current Liabilities</b>                  |       | <b>20,524,323</b> | <b>18,474,022</b>            |
| <b>Total Liabilities</b>                              |       | <b>24,639,382</b> | <b>20,777,900</b>            |
| <b>Net Assets</b>                                     |       | <b>28,090,023</b> | <b>16,794,332</b>            |
| <b>Equity</b>   |       |                   |                              |
| Contributed equity                                    | 21    | 48,988,154        | 23,820,194                   |
| Reserves  | 22    | 9,098,068         | 5,508,931                    |
| Accumulated losses                                    |       | (29,996,199)      | (12,534,793)                 |
| <b>Total Equity</b>                                   |       | <b>28,090,023</b> | <b>16,794,332</b>            |

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

\*Refer to Note 5

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# Consolidated Statement of Changes in Equity For the Year Ended 30 June 2025

|  | Contributed<br>equity<br>\$ | Share-based<br>payments<br>reserve<br>\$ | Foreign currency<br>translation<br>reserve<br>\$ | Total<br>reserves<br>\$ | Accumulated<br>losses<br>\$ | Total<br>\$         |
|--|-----------------------------|--|--|-------------------------|-----------------------------|---------------------|
| <b>Balance at 1 July 2024, as restated*</b>                  | <b>23,820,194</b>           | <b>5,167,224</b>                         | <b>341,707</b>                                   | <b>5,508,931</b>        | <b>(12,534,793)</b>         | <b>16,794,332</b>   |
| Loss after income tax expense                                | -                           | -  | -  | -                       | (17,461,406)                | (17,461,406)        |
| Other comprehensive loss net of tax                          | -                           | -  | (544,909)  | (544,909)               | -                           | (544,909)           |
| <b>Total comprehensive loss for the year</b>                 | <b>-</b>                    | <b>-</b>                                 | <b>(544,909)</b>                                 | <b>(544,909)</b>        | <b>(17,461,406)</b>         | <b>(18,006,315)</b> |
| <i>Transactions with owners, recorded directly in equity</i> |                             |  |  |                         |                             |                     |
| Shares issued (net of share issue costs)                     | 24,867,960                  | -  | -  | -                       | -                           | 24,867,960          |
| Share-based payments   | 300,000                     | 4,134,026                                | -  | 4,134,026               | -                           | 4,434,026           |
| Proceeds from issuance of RSUs                               | -                           | 20                                       | -  | 20                      | -                           | 20                  |
|  | <b>25,167,960</b>           | <b>4,134,046</b>                         | <b>-</b>   | <b>4,134,046</b>        | <b>-</b>                    | <b>29,302,006</b>   |
| <b>Balance at 30 June 2025</b>                               | <b>48,988,154</b>           | <b>9,301,270</b>                         | <b>(203,202)</b>                                 | <b>9,098,068</b>        | <b>(29,996,199)</b>         | <b>28,090,023</b>   |
| <b>Balance at 1 July 2023</b>                                | <b>5,871,854</b>            | <b>746,512</b>                           | <b>-</b>   | <b>746,512</b>          | <b>(2,409,359)</b>          | <b>4,209,007</b>    |
| Loss after income tax expense                                | -                           | -  | -  | -                       | (10,125,434)                | (10,125,434)        |
| Other comprehensive loss net of tax, as restated             | -                           | -  | 341,707  | 341,707                 | -                           | 341,707             |
| <b>Total comprehensive loss for the year</b>                 | <b>-</b>                    | <b>-</b>                                 | <b>341,707</b>                                   | <b>341,707</b>          | <b>(10,125,434)</b>         | <b>(9,783,727)</b>  |
| <i>Transactions with owners, recorded directly in equity</i> |                             |  |  |                         |                             |                     |
| Shares issued (net of share issue costs)                     | 17,948,340                  | -  | -  | -                       | -                           | 17,948,340          |
| Share-based payments   | -                           | 4,420,712                                | -  | 4,420,712               | -                           | 4,420,712           |
|  | <b>17,948,340</b>           | <b>4,420,712</b>                         | <b>-</b>   | <b>4,420,712</b>        | <b>-</b>                    | <b>22,369,052</b>   |
| <b>Balance at 30 June 2024, as restated*</b>                 | <b>23,820,194</b>           | <b>5,167,224</b>                         | <b>341,707</b>                                   | <b>5,508,931</b>        | <b>(12,534,793)</b>         | <b>16,794,332</b>   |

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

\*Refer to Note 5

# Consolidated Statement of Cash Flows For the Year Ended 30 June 2025



|  |           | 2025                | 2024               |
|--|-----------|---------------------|--------------------|
|  | NOTES     | \$                  | \$                 |
| <b>Cash flows from operating activities</b>            |           |                     |                    |
| Payments to suppliers and employees                    |           | (10,018,800)        | (4,026,932)        |
| Other income received                                  |           | 282,466             | 93,639             |
| Interest received                                      |           | 653,717             | 35,389             |
| Interest expense on lease liabilities                  |           | (1,947)             | (1,602)            |
| <b>Net cash used in operating activities</b>           | <b>25</b> | <b>(9,084,564)</b>  | <b>(3,899,506)</b> |
| <b>Cash flows from investing activities</b>            |           |                     |                    |
| Payments for exploration and evaluation assets         |           | (12,380,251)        | (2,043,487)        |
| Payments for acquisition of assets                     | <b>20</b> | (750,000)           | (4,233,121)        |
| Purchase of plant and equipment                        |           | (139,320)           | (69,433)           |
| Proceeds from disposal of plant and equipment          | <b>15</b> | 28,000              | -                  |
| Refunds from security deposit                          |           | 22,600              | -                  |
| <b>Net cash used in investing activities</b>           |           | <b>(13,218,971)</b> | <b>(6,346,041)</b> |
| <b>Cash flows from financing activities</b>            |           |                     |                    |
| Proceeds from issue of shares                          |           | 25,388,500          | 18,571,000         |
| Proceeds from exercise of options                      |           | 850,000             | -                  |
| Proceeds from issuance of RSUs                         |           | 20                  | -                  |
| Share issue transactions costs                         |           | (1,370,540)         | (1,011,521)        |
| Repayment of lease liabilities                         |           | (252,477)           | (68,341)           |
| <b>Net cash from financing activities</b>              |           | <b>24,615,503</b>   | <b>17,491,138</b>  |
| <b>Net increase in cash and cash equivalents</b>       |           | <b>2,311,968</b>    | <b>7,245,591</b>   |
| Cash and cash equivalents at the beginning of the year |           | 9,924,422           | 2,678,831          |
| <b>Cash and cash equivalents at end of the year</b>    |           | <b>12,236,390</b>   | <b>9,924,422</b>   |

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



# Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



## 1. GENERAL INFORMATION

### Statement of compliance

These financial statements cover Andean Silver Limited ("Company" or "Andean Silver"), and the entities it controlled at the end of, or during, the financial year (together referred to as the "Group").

These 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"), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board ("AASB") and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Consequently, this financial report has been prepared in accordance with and complies with IFRS Accounting Standards as issued by the IASB.

### Presentation currency

These financial statements are presented in Australian Dollars ('\$' or 'AUD'). Foreign operations are included in accordance with the policies set out in Note 3.

## 2. ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

### **2.1 New and amended Australian Accounting Standards that are effective for the current year**

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the financial period beginning 1 July 2024. The adoption of these Standards and Interpretations did not have a material impact on the consolidated financial statements of the Group and hence, have not been disclosed.

### **2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective**

At the date of authorisation of the financial statements, the Group has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not effective.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

#### (a) 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 2025, the Group had current assets of \$12,460,242 (2024: \$10,076,594), including cash and cash equivalents of \$12,236,390 (2024: \$9,924,422), and current liabilities of \$4,115,059 (2024: \$2,303,878).

Management has prepared a 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 main project in Chile.

Subsequent to the current reporting date, the Group received approximately \$28.5 million (net of issue costs) from capital raising and proceeds received upon the conversion of share options. 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.

#### (b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Andean Silver as at 30 June 2025 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 loses 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.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (b) Principles of consolidation (cont'd)

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.

#### (c) 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 30.

#### (d) 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.

#### (e) 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.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (f) 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.

#### (g) 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

##### ***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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

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 investment in shares of a listed entity and 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.

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.



3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

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 lease liabilities.

***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.

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.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (g) Financial instruments (cont'd)

##### Financial liabilities (cont'd)

##### *Trade and other payables and lease liabilities*

After initial recognition, trade and other payables and lease liabilities 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 trade and other payables and lease liabilities.

#### (h) 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.

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.

# Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### (i) Property, plant and equipment

Land is stated at cost less any accumulated impairment losses. Costs includes the purchase price and any directly attributable costs in bringing the asset to its intended use, such as legal fees, stamp duty and site preparation costs.

Land is not depreciation as it is considered to have an indefinite useful life.

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 and 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 property, 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.

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.

### (j) 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Leases

*Right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

*Lease liabilities*

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (l) 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.

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.

#### (m) Impairment of non-financial assets

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.

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.



## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (n) 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.

#### (o) 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.

#### (p) 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.

#### (q) Share-based payment transactions

The Group provides benefits to employees (including Directors) of the Company 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 Incentive Securities Plan ("EISP") which provides benefits to all employees including Directors.

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (q) Share-based payment transactions (cont'd)

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:

- the extent to which the vesting period has expired; and
- 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.

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.

#### (r) 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.

##### ***Superannuation***

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

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### (r) Employee benefits (cont'd)

##### *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.

#### (s) 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.

#### (t) 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

# Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### (t) Income tax (cont'd)

- 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.

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.

### (u) Goods and Services Tax ("GST") and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST or Value Added Taxes (VAT), except:

- where the amount of GST or VAT 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 or VAT included.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST or VAT 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 or VAT recoverable from, or payable to, the taxation authorities.

# Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### (v) 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.

## 4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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:

### *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.

### *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.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

#### *Impairment of capitalised exploration and evaluation expenditure (cont'd)*

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 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 23. 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.

### 5. COMPARATIVES

Where necessary, comparatives have been re-classified for consistency with current reporting period disclosures.

- (i) Reclassifications (being only those line items affected) within the Consolidated Statement of Profit or Loss and Other Comprehensive Income:

|                                    | 30 June 2024         |                   |                    |
|------------------------------------|----------------------|-------------------|--------------------|
|                                    | As previously stated | Re-classification | As restated        |
|                                    | \$                   | \$                | \$                 |
| Other income                       | 93,639               | (14,054)          | 79,585             |
| Compliance and regulatory expenses | (800,504)            | 15,897            | (784,607)          |
| Occupancy expenses                 | (130,465)            | (3,462)           | (133,927)          |
| Employee benefit expenses          | (1,773,997)          | 1,055,343         | (718,654)          |
| Care and maintenance               | (266,413)            | (51,304)          | (317,717)          |
| Consultancy expenses               | (3,947,558)          | 2,649,885         | (1,297,673)        |
| Share-based payment expense        | -                    | (4,309,573)       | (4,309,573)        |
| Other administration expense       | (1,440,385)          | 657,268           | (783,117)          |
|                                    | <b>(8,265,683)</b>   | <b>-</b>          | <b>(8,265,683)</b> |

- (ii) Reclassifications within the Consolidated Statement of Financial Position:

|  | 30 June 2024         |                   |                   |
|--|----------------------|-------------------|-------------------|
|  | As previously stated | Re-classification | As restated       |
|  | \$                   | \$                | \$                |
| Exploration and evaluation expenditure | 21,055,493           | (2,909,111)       | 18,146,382        |
| Property, plant and equipment          | 260,032              | 3,040,190         | 3,300,222         |
| <b>Total assets</b>                    | <b>37,441,153</b>    | <b>131,079</b>    | <b>37,572,232</b> |
| Foreign currency translation reserve   | 210,628              | 131,079           | 341,707           |
| <b>Total equity</b>                    | <b>16,663,253</b>    | <b>131,079</b>    | <b>16,794,332</b> |

Management has determined that the value of the land acquired by the Company held in Compania Minera Cerro Bayo at acquisition date was included in the total exploration and evaluation asset acquired. This has now been reclassified as part of the property, plant and equipment.



**Notes to the Consolidated Financial Statements  
For the Year Ended 30 June 2025**



**6. INCOME**

|  | <b>2025</b>      | <b>2024</b>          |
|--|------------------|----------------------|
|  | <b>\$</b>        | <b>(As restated)</b> |
|  | <b>\$</b>        | <b>\$</b>            |
| <i>Income from continuing operations</i>     |                  |                      |
| Interest income from banks                   | 653,717          | 35,569               |
| Accrued interest on receivable from Mandalay | 487,980          | 190,134              |
| Total interest income                        | 1,141,697        | 225,703              |
| Other income                                 | 266,610          | 79,585               |
|  | <b>1,408,307</b> | <b>305,288</b>       |

All interest income is recognised using the effective interest method.

**7. EXPENSES**

|   | <b>2025</b>      | <b>2024</b>          |
|---|------------------|----------------------|
|   | <b>\$</b>        | <b>(As restated)</b> |
|   | <b>\$</b>        | <b>\$</b>            |
| <i>Loss before income tax expense includes the following expenses</i> |                  |                      |
| <i>Employee benefit expense</i>                                       |                  |                      |
| Directors' salaries and fees  | 323,266          | 360,954              |
| Employee salaries and expenses  | 1,400,189        | 282,803              |
| Superannuation  | 160,394          | 74,897               |
|   | <b>1,883,849</b> | <b>718,654</b>       |
| <i>Impairment and write-offs</i>                                      |                  |                      |
| Write-off of exploration and evaluation expenditure                   | 614,980          | 1,252,613            |
| VAT receivables impaired (note 12)                                    | 2,585,585        | 177,348              |
|   | <b>3,200,565</b> | <b>1,429,961</b>     |
| <i>Depreciation and amortisation expense</i>                          |                  |                      |
| Computer equipment  | 62,732           | 16,086               |
| Furniture   | -                | 1,890                |
| Motor vehicle   | 240,834          | 80,761               |
| Plant and equipment   | 64,412           | 26,470               |
| Software  | 19,945           | 20,000               |
|   | <b>387,923</b>   | <b>145,207</b>       |
| <i>Interest expense</i>   |                  |                      |
| Hire-purchase   | 1,947            | 1,602                |
| Accrued interest on provision for rehabilitation                      | 1,234,187        | 390,477              |
|   | <b>1,236,134</b> | <b>392,079</b>       |

**Notes to the Consolidated Financial Statements  
For the Year Ended 30 June 2025**



**7. EXPENSES (CONTD)**

|                                     | <b>2025</b>      | <b>2024</b>          |
|-------------------------------------|------------------|----------------------|
|                                     | <b>\$</b>        | <b>(As restated)</b> |
|                                     | <b>\$</b>        | <b>\$</b>            |
| <i>Consultancy expense</i>          |                  |                      |
| Accounting and secretarial fees     | 253,230          | 188,348              |
| Legal fees                          | 1,087,962        | 579,928              |
| Other consultancy fees              | 890,311          | 529,397              |
|                                     | <b>2,231,503</b> | <b>1,297,673</b>     |
| <i>Other administrative expense</i> |                  |                      |
| Travel and accommodation            | 609,508          | 290,422              |
| Subscription and memberships        | 195,322          | 61,421               |
| Computer expenses and IT support    | 121,203          | 71,217               |
| Meetings, workshops and conferences | 198,133          | 79,317               |
| Others                              | 778,943          | 280,740              |
|                                     | <b>1,903,109</b> | <b>783,117</b>       |

**8. INCOME TAX EXPENSE**

|                               | <b>2025</b> | <b>2024</b> |
|-------------------------------|-------------|-------------|
|                               | <b>\$</b>   | <b>\$</b>   |
| Income tax expense - current  | -           | -           |
| Income tax expense – deferred | -           | -           |
|                               | <b>-</b>    | <b>-</b>    |

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:

|   | <b>2025</b>         | <b>2024</b>         |
|---|---------------------|---------------------|
|   | <b>\$</b>           | <b>\$</b>           |
| Loss before income tax expense                            | <b>(17,461,406)</b> | <b>(10,125,434)</b> |
| At statutory income tax rate of 30% (2024: 25%)           | (5,238,422)         | (2,531,359)         |
| <i>Add/ (less):</i>                                       |                     |                     |
| Capital allowances  | 13,652              | 9,956               |
| Exploration   | 170,897             | 226,882             |
| Other non-allowable items                                 | 2,262,043           | 420,007             |
| Others  | 329,135             | 247,789             |
| Share based payments                                      | 1,330,208           | 1,077,393           |
| Revenue losses not recognised                             | 1,005,893           | 657,316             |
| Foreign tax rate differences                              | 244,315             | (30,860)            |
| Capital raising costs                                     | (118,254)           | (76,469)            |
| Non-assessable income                                     | 533                 | (655)               |
|   | <b>-</b>            | <b>-</b>            |
| The applicable average weighted tax rates are as follows: | <b>0%</b>           | <b>0%</b>           |

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 8. INCOME TAX EXPENSE (CONT'D)

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2024: 25%) 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.

The following deferred tax balances have not been recognised:

|  | 2025<br>\$       | 2024<br>\$       |
|--|------------------|------------------|
| <i>Deferred tax assets at 30% (2024: 25%)</i>      |                  |                  |
| Tax losses   | 2,725,033        | 1,537,049        |
| Capital raising costs                              | 663,055          | 261,282          |
| Provisions and accruals                            | 53,633           | 10,763           |
| Exploration and evaluation expenditure             | 16,800           | -                |
|  | <b>3,458,521</b> | <b>1,809,094</b> |
| <i>Deferred tax liabilities at 30% (2024: 25%)</i> |                  |                  |
| Prepayments  | (37,462)         | (14,190)         |
| Plant and equipment                                | (32,754)         | (37,937)         |
| Accrued income                                     | (254)            | -                |
| Exploration and evaluation expenditure             | -                | (128,414)        |
|  | <b>(70,470)</b>  | <b>(180,541)</b> |
| <b>Net deferred tax assets</b>                     | <b>3,388,051</b> | <b>1,628,553</b> |

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.

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 been recognised.

### 9. AUDITOR'S REMUNERATION

|   | 2025<br>\$    | 2024<br>\$    |
|---|---------------|---------------|
| <i>Remuneration of the auditor of the Group for auditing and reviewing the financial reports:</i> |               |               |
| RSM Australia Partners and RSM Chile  | <b>79,300</b> | <b>38,325</b> |

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 10. 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:

|                          | 2025             | 2024             |
|--------------------------|------------------|------------------|
|                          | \$               | \$               |
| Short-term benefits      | 1,090,139        | 547,680          |
| Post-employment benefits | 91,996           | 39,849           |
| Share-based payments     | 1,453,350        | 706,098          |
|                          | <b>2,635,485</b> | <b>1,293,627</b> |

### 11. CASH AND CASH EQUIVALENTS

|              | 2025              | 2024             |
|--------------|-------------------|------------------|
|              | \$                | \$               |
| Cash at bank | 12,236,390        | 9,924,422        |
|              | <b>12,236,390</b> | <b>9,924,422</b> |

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

### 12. TRADE AND OTHER RECEIVABLES

|  | 2025           | 2024           |
|--|----------------|----------------|
|  | \$             | \$             |
| Trade and other receivables                          | 22,430         | 76,105         |
| GST receivables, net                                 | 51,527         | 227            |
| VAT receivables                                      | 2,762,933      | 177,348        |
| Prepayments  | 149,895        | 75,840         |
|  | 2,986,785      | 329,520        |
| Less: allowance for credit losses on VAT receivables | (2,762,933)    | (177,348)      |
|  | <b>223,852</b> | <b>152,172</b> |

#### *Allowance for credit losses on VAT receivables*

All purchases in Chile are subject to the payment of Impuesto al Valor Agregado ("IVA") which is a Value Added Tax ("VAT"). Given that the Cerro Bayo Project is currently on care and maintenance and the Group has not yet taken the decision to recommence production, management is of the view that uncertainty exists with respect to the timing and extent of recovery of the VAT receivables. Therefore, the Group has impaired the gross amount of VAT receivables in full as at 30 June 2025 and 30 June 2024. The Group has gross VAT receivables of \$3,737,754 impaired that can be recovered once the production commences. Of this gross VAT receivables \$974,821 was impaired at the date of acquisition of the Cerro Bayo projects.

There were no other receivables that were past due or impaired (2024: Nil).

# Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



## 13. OTHER RECEIVABLES

|                                     | 2025             | 2024             |
|-------------------------------------|------------------|------------------|
|                                     | \$               | \$               |
| Balance at beginning of year        | 5,888,230        | -                |
| Additions through asset acquisition | -                | 5,720,840        |
| Accrued interest                    | 487,980          | 190,134          |
| Translation difference              | 234,258          | (22,744)         |
| <b>Balance at end of year</b>       | <b>6,610,468</b> | <b>5,888,230</b> |

As part of the acquisition of the Cerro Bayo Project in the prior year, 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 18). Pursuant to Clause 3 of the Mandalay Acquisition Agreement dated 1 December 2019, Mandalay Resources Corporation ("Mandalay") is contractually responsible for 50% of U.F 332,650 being the estimated cost of closure of the Cerro Bayo project. Subsequent to end of financial year, Alkane Resources Limited ("Alkane") and Mandalay completed a merger transaction with Alkane as the surviving entity. The Group has recognised this reimbursement right as other receivables measured at fair value through profit or loss.

As at 30 June 2025, the present value of the reimbursement right from Alkane (previously from Mandalay), calculated using a discount rate of 9.4% and inflation rate of 4.10% (2024:4.5%) amounted to \$6,610,468 (2024: \$5,888,320). The total undiscounted amount of the reimbursement right from Alkane amounted to approximately \$7.6 million by 2032.

## 14. EXPLORATION AND EVALUATION EXPENDITURE

|   | 2025              | 2024                |
|---|-------------------|---------------------|
|   | \$                | (As restated)<br>\$ |
| <b><u>Chile (a)</u></b>                       |                   |                     |
| Balance at beginning of year                  | 17,576,724        | -                   |
| Additions through asset acquisition (Note 24) | -                 | 15,809,570          |
| Exploration and evaluation during the year    | 12,009,648        | 1,673,034           |
| Translation difference                        | 140,831           | 94,120              |
|   | 29,727,203        | 17,576,724          |
| Less: written off during the year             | -                 | -                   |
| <b>Balance at end of year</b>                 | <b>29,727,203</b> | <b>17,576,724</b>   |
| <b><u>Australia (b)</u></b>                   |                   |                     |
| Balance at beginning of year                  | 569,658           | 1,451,818           |
| Exploration and evaluation during the year    | 45,322            | 370,453             |
|   | 614,980           | 1,822,271           |
| Less: written off during the year             | (614,980)         | (1,252,613)         |
| <b>Balance at end of year</b>                 | <b>-</b>          | <b>569,658</b>      |
|   | <b>29,727,203</b> | <b>18,146,382</b>   |

(a) 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. Additional information is disclosed in Note 24.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 14. EXPLORATION AND EVALUATION EXPENDITURE (CONT'D)

(b) On 19 June 2024, Bellpark Minerals Pty Ltd ("Bellpark") entered into a Farm-in and Joint Venture Agreement with Western Yilgarn NL ("Western Yilgarn") in relation to the exploration licenses E36/1080 and E29/1167 known as Mt. Alexander. Bellpark granted Western Yilgarn the right to earn a participating interest of up to 95% during the 2-year period from commencement date in exchange for 1,000,000 fully paid ordinary shares of Western Yilgarn and sole funding \$120,000 of minimum expenditure on the tenements during the farm-in period.

On 25 October 2024, Western Yilgarn issued 1,000,000 fully paid ordinary shares to Bellpark at an issue price of \$0.033 per share. The Group has accounted for these shares at fair value through profit or loss. As at 30 June 2025, the fair value of these shares is \$24,000.

#### Impairment

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 the financial year ended 30 June 2025, the Group has written off the carrying amounts of the exploration and evaluation expenditure of its Australian projects which amounted to \$614,980 (2024: \$1,252,613).

### 15. PROPERTY, PLANT AND EQUIPMENT

|   | Land             | Computer equipment | Furniture | Motor vehicles | Plant and equipment | Total            |
|---|------------------|--------------------|-----------|----------------|---------------------|------------------|
|   | \$               | \$                 | \$        | \$             | \$                  | \$               |
| <b><u>Cost</u></b>                                  |                  |                    |           |                |                     |                  |
| Balance at 1 July 2023                              | -                | 8,504              | 1,904     | 68,741         | 60,764              | 139,913          |
| Additions   | -                | 12,389             | 1,890     | 13,403         | 57,408              | 85,090           |
| Additions through asset acquisition (Note 24)       | 2,909,111        | 25,126             | -         | 147,047        | 50,934              | 3,132,218        |
| FX translation difference                           | 131,079          | (2,101)            | -         | (15,633)       | (4,597)             | 108,748          |
| Balance at 30 June 2024 (as restated)               | 3,040,190        | 43,918             | 3,794     | 213,558        | 164,509             | 3,465,969        |
| <b><u>Accumulated depreciation</u></b>              |                  |                    |           |                |                     |                  |
| Balance at 1 July 2023                              | -                | (7,789)            | (1,904)   | (25,343)       | (8,359)             | (43,395)         |
| Depreciation expense                                | -                | (16,086)           | (1,890)   | (80,761)       | (26,470)            | (125,207)        |
| FX translation difference                           | -                | 299                | -         | 1,787          | 769                 | 2,855            |
| Balance at 30 June 2024                             | -                | (23,576)           | (3,794)   | (104,317)      | (34,060)            | (165,747)        |
| <b>Net book value at 30 June 2024 (as restated)</b> | <b>3,040,190</b> | <b>20,342</b>      | <b>-</b>  | <b>109,241</b> | <b>130,449</b>      | <b>3,300,222</b> |



Notes to the Consolidated Financial Statements  
For the Year Ended 30 June 2025



15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

|  | Land<br>\$       | Computer<br>equipment<br>\$ | Furniture<br>\$ | Motor<br>vehicles<br>\$ | Plant and<br>equipment<br>\$ | Total<br>\$      |
|--|------------------|-----------------------------|-----------------|-------------------------|------------------------------|------------------|
| Balance at 1 July 2024 (as restated)   | 3,040,190        | 43,918                      | 3,794           | 213,558                 | 164,509                      | 3,465,969        |
| Additions                              | -                | 124,288                     | -               | 514,116                 | 15,032                       | 653,436          |
| Disposals                              | -                | -                           | -               | (68,741)                | -                            | (68,741)         |
| FX translation difference              | 208,518          | (215)                       | -               | (2,233)                 | 1,762                        | 207,832          |
| Balance at 30 June 2025                | 3,248,708        | 167,991                     | 3,794           | 656,700                 | 181,303                      | 4,258,496        |
| <b><u>Accumulated depreciation</u></b> |                  |                             |                 |                         |                              |                  |
| Balance at 1 July 2024                 | -                | (23,576)                    | (3,794)         | (104,317)               | (34,060)                     | (165,747)        |
| Depreciation expense                   | -                | (62,732)                    | -               | (240,834)               | (64,412)                     | (367,978)        |
| Disposals                              | -                | -                           | -               | 46,678                  | -                            | 46,678           |
| FX translation difference              | -                | 1,343                       | -               | 13,630                  | 2,811                        | 17,784           |
| Balance at 30 June 2025                | -                | (84,965)                    | (3,794)         | (284,843)               | (95,661)                     | (469,263)        |
| <b>Net book value at 30 June 2025</b>  | <b>3,248,708</b> | <b>83,026</b>               | <b>-</b>        | <b>371,857</b>          | <b>85,642</b>                | <b>3,789,233</b> |

*Disposals of plant and equipment*

During the year, the Company sold its motor vehicles with a total carrying amount of \$22,063 for a cash consideration of \$28,000.

*Motor vehicles – right-of-use assets*

The Group has lease agreements for its motor vehicles that generally has term of 24 months. Lease of motor vehicles comprise only fixed payment over the lease term. Set out below are the carrying amounts of motor vehicles under lease and the movements during the year.

|   | Motor<br>vehicles<br>\$ |
|---|-------------------------|
| As at 1 July 2023                             | 33,288                  |
| Additions through asset acquisition (Note 24) | 147,047                 |
| Additions                                     | 13,403                  |
| FX translation difference                     | (13,846)                |
| Depreciation expense                          | (77,969)                |
| <b>As at 30 June 2024</b>                     | <b>101,923</b>          |
| Additions                                     | 514,116                 |
| Disposals                                     | (15,909)                |
| FX translation difference                     | 11,397                  |
| Depreciation expense                          | (239,670)               |
| <b>As at 30 June 2025</b>                     | <b>371,857</b>          |

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The carrying amounts of the lease liabilities and the movements during the year are disclosed in Note 19.

The Group had total cash outflows for leases of \$252,477 in 2025 (2024: \$68,341). The Group also had non-cash additions to right-of-use and lease liabilities of \$514,116 (2024: \$160,450). The future cash outflows relating to lease liabilities that have not yet commenced are disclosed in Note 19.

### 16. TRADE AND OTHER PAYABLES

|                          | 2025             | 2024             |
|--------------------------|------------------|------------------|
|                          | \$               | \$               |
| Trade and other payables | 2,669,225        | 987,145          |
| Accruals                 | 842,407          | 73,786           |
|                          | <b>3,511,632</b> | <b>1,060,931</b> |

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.

### 17. PROVISIONS - CURRENT

|                       | 2025           | 2024           |
|-----------------------|----------------|----------------|
|                       | \$             | \$             |
| Employee entitlements | 322,207        | 140,381        |
|                       | <b>322,207</b> | <b>140,381</b> |

### 18. PROVISION FOR REHABILITATION

|   | 2025              | 2024              |
|---|-------------------|-------------------|
|   | \$                | \$                |
| Balance at beginning of year                  | 18,463,960        | -                 |
| Additions through asset acquisition (Note 24) | -                 | 18,140,707        |
| Unwinding of interest                         | 1,234,187         | 390,477           |
| FX translation difference                     | 733,484           | (67,224)          |
|   | <b>20,431,631</b> | <b>18,463,960</b> |

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 approved by SERNAGEOMIN.

The rehabilitation provision represents the present value of rehabilitation costs relating to the Cerro Bayo Project, which is expected to be incurred prior to 2032, which is the current commitment in the approved Closure Plan. The provision for rehabilitation has been calculated 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.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 18. PROVISION FOR REHABILITATION (CONT'D)

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 2025 is 4.1% (2024: 4.5%) and the discount rate used in the calculation of the provision as at 30 June 2025 is 5.63% (2024: 6.09%).

### 19. LEASE LIABILITIES

|   | 2025<br>\$     | 2024<br>\$     |
|---|----------------|----------------|
| Balance at beginning of year                  | 112,628        | 31,212         |
| Additions through asset acquisition (Note 24) | -              | 147,047        |
| Additions                                     | 514,116        | 13,403         |
| Payments                                      | (252,477)      | (68,341)       |
| Accretion of interest                         | 302            | 1,602          |
| FX translation difference                     | (657)          | (12,295)       |
|   | <b>373,912</b> | <b>112,628</b> |
| Current                                       | 281,220        | 102,566        |
| Non-current                                   | 92,692         | 10,062         |
|   | <b>373,912</b> | <b>112,628</b> |

The maturity analysis of lease liabilities and the present value lease payments are set out below:

|   | Minimum<br>lease payments<br>\$ | Present value<br>of lease payments<br>\$ |
|---|---------------------------------|--|
| <b>2025</b>                                 |                                 |  |
| Within one year                             | 291,701                         | 281,220                                  |
| After one year but not more than five years | 91,296                          | 92,692                                   |
| Total minimum payments                      | 382,997                         | 373,912                                  |
| Less amounts representing finance charges   | (9,085)                         | -  |
|   | <b>373,912</b>                  | <b>373,912</b>                           |
| <b>2024</b>                                 |                                 |  |
| 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)                         | -  |
|   | <b>112,628</b>                  | <b>112,628</b>                           |

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 20. DEFERRED CONSIDERATION

As part of the acquisition terms of the Cerro Bayo Project, the Company agreed to make a deferred payment of \$1,000,000 in cash or, at Company's election and subject to shareholder approval, fully paid ordinary share on the achievement of an Inferred Mineral Resource Estimate of not less than 100Moz at a grade of no less than 300g/t AgEq within five years from completion.

Following the success of the Company's \$25 million Placement during the year, the Company reached an agreement with Equus Mining Limited to settle this final deferred consideration payment for \$750,000 in cash. Final payment was made on 15 October 2024. There are no further deferred payments under the acquisition agreement.

### 21. CONTRIBUTED EQUITY

#### (a) Ordinary shares

|                               | 30 June 2025       |                   | 30 June 2024       |                   |
|-------------------------------|--------------------|-------------------|--------------------|-------------------|
|                               | No. of shares      | \$                | No. of shares      | \$                |
| Ordinary shares               | 158,773,755        | 52,522,573        | 111,987,136        | 25,984,073        |
| Less: accumulated issue costs | -                  | (3,534,419)       | -                  | (2,163,879)       |
|                               | <b>158,773,755</b> | <b>48,988,154</b> | <b>111,987,136</b> | <b>23,820,194</b> |

Movements in the ordinary shares during the financial years ended 30 June 2025 and 2024 are as follows:

|  | Date       | No. of shares      | Issue price | \$                |
|--|------------|--------------------|-------------|-------------------|
| Balance at 1 July 2024                             |            | 111,987,136        |             | 23,820,194        |
| Placement  | 5/7/2024   | 1,132,223          | 0.45        | 509,500           |
| Share application monies <sup>i</sup>              |            | -                  |             | (121,000)         |
| Conversion of performance rights                   | 5/7/2024   | 783,333            | -           | -                 |
| Exercise of options                                | 19/7/2024  | 1,000,000          | 0.20        | 200,000           |
| Shares issued in lieu of consultancy fee (Note 23) | 6/9/2024   | 461,539            | 0.65        | 300,000           |
| Exercise of options                                | 18/9/2024  | 1,300,000          | 0.40        | 520,000           |
| Placement  | 26/9/2024  | 23,809,524         | 1.05        | 25,000,000        |
| Conversion of performance rights                   | 9/10/2024  | 15,250,000         | -           | -                 |
| Conversion of performance rights                   | 18/10/2024 | 400,000            | -           | -                 |
| Exercise of options                                | 18/10/2024 | 500,000            | 0.20        | 100,000           |
| Exercise of options                                | 22/10/2024 | 150,000            | 0.20        | 30,000            |
| Conversion of performance rights                   | 15/01/2025 | 2,000,000          | -           | -                 |
| Less: share issue costs                            |            | -                  | -           | (1,370,540)       |
| <b>Balance at 30 June 2025</b>                     |            | <b>158,773,755</b> |             | <b>48,988,154</b> |

**Notes to the Consolidated Financial Statements  
For the Year Ended 30 June 2025**



**21. CONTRIBUTED EQUITY (CONT'D)**

**(a) Ordinary shares (Cont'd)**

|                                       | Date       | No. of shares      | Issue price | \$                |
|---------------------------------------|------------|--------------------|-------------|-------------------|
| Balance at 1 July 2023                |            | 45,350,100         |             | 5,871,854         |
| Placement                             | 8/12/2023  | 11,337,525         | 0.20        | 2,267,505         |
| Placement                             | 8/2/2024   | 30,162,475         | 0.20        | 6,032,495         |
| Consideration shares                  | 19/02/2024 | 2,314,814          | 0.216       | 500,000           |
| Placements                            | 9/05/2024  | 22,222,222         | 0.45        | 10,000,000        |
| Conversion of performance rights      | 16/5/2024  | 100,000            | -           | -                 |
| Exercise of options                   | 21/5/2024  | 250,000            | 0.40        | 100,000           |
| Exercise of options                   | 21/5/2024  | 250,000            | 0.20        | 50,000            |
| Share application monies <sup>i</sup> |            | -                  | -           | 121,000           |
| Less: share issue costs               |            | -                  | -           | (1,122,660)       |
| <b>Balance at 30 June 2024</b>        |            | <b>111,987,136</b> |             | <b>23,820,194</b> |

<sup>i</sup> Share application monies were received in June 2024 as part of Tranche 2 Placement. The shares were issued subsequently on 5 July 2024.

Holders of ordinary shares entitled are to participate in 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.

**(b) Capital risk 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 ratios in order to support its business and maximise the shareholder's value. The Board manages 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 2025 and 30 June 2024.

**Notes to the Consolidated Financial Statements  
For the Year Ended 30 June 2025**



**21. CONTRIBUTED EQUITY (CONT'D)**

**(c) Basic and diluted loss per share**

|   | <b>2025</b>        | <b>2024</b>       |
|---|--------------------|-------------------|
| Loss after income tax attributable to the owners of the Company                                     | (\$17,461,406)     | (\$10,125,434)    |
| Weighted average number of ordinary shares used in calculating the basic and diluted loss per share | <u>147,051,876</u> | <u>67,604,997</u> |

|                                  | <b>2025<br/>Cents</b> | <b>2024<br/>Cents</b> |
|----------------------------------|-----------------------|-----------------------|
| Basic and diluted loss per share | <u>(11.87)</u>        | <u>(14.98)</u>        |

Options, performance rights and restricted stock units on issue at reporting date could potentially dilute loss per share in the future. The effect of these options, performance rights and restricted stock units is anti-dilutive and as such they have been excluded in the calculation of loss per share of the Company for years ended 30 June 2025 and 2024.

**22. RESERVES**

|   | <b>2025<br/>\$</b>      | <b>2024<br/>(As restated)<br/>\$</b> |
|---|-------------------------|--------------------------------------|
| Share-based payment reserve (i)           | 9,301,270               | 5,167,224                            |
| Foreign currency translation reserve (ii) | <u>(203,202)</u>        | <u>341,707</u>                       |
|   | <b><u>9,098,068</u></b> | <b><u>5,508,931</u></b>              |

**(i) Share-based payment reserve**

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:

|                                 | <b>Unlisted<br/>options<br/>\$</b> | <b>Performance<br/>rights<br/>\$</b> | <b>RSUs<br/>\$</b> | <b>Total<br/>\$</b> |
|---------------------------------|------------------------------------|--------------------------------------|--------------------|---------------------|
| <b>2025</b>                     |                                    |                                      |                    |                     |
| Balance at beginning of year    | 830,409                            | 4,336,815                            | -                  | 5,167,224           |
| Recognised in profit or loss    | -                                  | 4,056,664                            | 77,362             | 4,134,026           |
| Proceeds received from issuance | -                                  | -                                    | 20                 | 20                  |
| <b>Balance at end of year</b>   | <b>830,409</b>                     | <b>8,393,479</b>                     | <b>77,382</b>      | <b>9,301,270</b>    |
| <b>2024</b>                     |                                    |                                      |                    |                     |
| Balance at beginning of year    | 719,270                            | 27,242                               | -                  | 746,512             |
| Recognised as share issue costs | 111,139                            | -                                    | -                  | 111,139             |
| Recognised in profit or loss    | -                                  | 4,309,573                            | -                  | 4,309,573           |
| <b>Balance at end of year</b>   | <b>830,409</b>                     | <b>4,336,815</b>                     | <b>-</b>           | <b>5,167,224</b>    |



## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 22. RESERVES (CONT'D)

#### (ii) Foreign currency translation reserve

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 reserve are as follows:

|   | 2025<br>\$       | 2024<br>(As restated)<br>\$ |
|---|------------------|-----------------------------|
| Balance at beginning of year, as restated | 341,707          | -                           |
| Foreign currency translation              | (544,909)        | 341,707                     |
| <b>Balance at end of year</b>             | <b>(203,202)</b> | <b>341,707</b>              |

### 23. 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 the financial years ended 30 June 2025 and 30 June 2024.

|   | 30 June 2025     |             | 30 June 2024     |             |
|---|------------------|-------------|------------------|-------------|
|   | No. of options   | WAEP<br>\$  | No. of options   | WAEP<br>\$  |
| Balance at beginning of year                        | 7,500,000        | 0.33        | 6,000,000        | 0.30        |
| Granted during the year                             | -                | -           | 2,000,000        | 0.40        |
| Exercised during the year                           | (2,950,000)      | 0.29        | (500,000)        | 0.30        |
|   | <b>4,550,000</b> | <b>0.35</b> | <b>7,500,000</b> | <b>0.33</b> |
| Vested and exercisable at the end of financial year | <b>4,550,000</b> | <b>0.35</b> | <b>7,500,000</b> | <b>0.33</b> |

No options were granted during the year.

In prior year, the Company issued 2,000,000 unlisted options to brokers in consideration for lead manager services in connection with the Placement completed on 21 February 2024. These options were issued for nil consideration and were 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.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025

### 23. SHARE-BASED PAYMENTS (CONT'D)

#### (a) Unlisted options (continued)

The following table illustrates the movements in share options for the financial years ended 30 June 2025 and 2024:

| Option | Grant date | Expiry date | Exercise Price \$ | Balance at 1 July 2024 | Options granted | Options exercised  | Balance at 30 June 2025 | Vested           | Amount expensed \$ |
|--------|------------|-------------|-------------------|------------------------|-----------------|--------------------|-------------------------|------------------|--------------------|
| UO1    | 16/12/2022 | 16/12/2025  | 0.20              | 750,000                | -               | (500,000)          | 250,000                 | 250,000          | -                  |
| UO2    | 16/12/2022 | 16/12/2025  | 0.40              | 750,000                | -               | -                  | 750,000                 | 750,000          | -                  |
| UO3    | 02/02/2023 | 02/02/2026  | 0.40              | 2,000,000              | -               | (1,150,000)        | 850,000                 | 850,000          | -                  |
| UO4    | 02/02/2023 | 02/02/2026  | 0.20              | 2,000,000              | -               | (1,150,000)        | 850,000                 | 850,000          | -                  |
| UO5    | 29/01/2024 | 19/02/2026  | 0.40              | 2,000,000              | -               | (150,000)          | 1,850,000               | 1,850,000        | -                  |
|        |            |             |                   | <b>7,500,000</b>       | <b>-</b>        | <b>(2,950,000)</b> | <b>4,550,000</b>        | <b>4,550,000</b> | <b>-</b>           |

| Option | Grant date | Expiry date | Exercise Price \$ | Balance at 1 July 2023 | Options granted  | Options exercised | Balance at 30 June 2024 | Vested           | Amount expensed \$ |
|--------|------------|-------------|-------------------|------------------------|------------------|-------------------|-------------------------|------------------|--------------------|
| UO1    | 16/12/2022 | 16/12/2025  | 0.20              | 750,000                | -                | -                 | 750,000                 | 750,000          | -                  |
| UO2    | 16/12/2022 | 16/12/2025  | 0.40              | 750,000                | -                | -                 | 750,000                 | 750,000          | -                  |
| UO3    | 02/02/2023 | 02/02/2026  | 0.40              | 2,250,000              | -                | (250,000)         | 2,000,000               | 2,000,000        | -                  |
| UO4    | 02/02/2023 | 02/02/2026  | 0.20              | 2,250,000              | -                | (250,000)         | 2,000,000               | 2,000,000        | -                  |
| UO5    | 29/01/2024 | 19/02/2026  | 0.40              | -                      | 2,000,000        | -                 | 2,000,000               | 2,000,000        | 111,139            |
|        |            |             |                   | <b>6,000,000</b>       | <b>2,000,000</b> | <b>(500,000)</b>  | <b>7,500,000</b>        | <b>7,500,000</b> | <b>111,139</b>     |

**Notes to the Consolidated Financial Statements  
For the Year Ended 30 June 2025**



**24. SHARE-BASED PAYMENTS (CONT'D)**

(a) Unlisted options (cont'd)

*Valuation of options*

The fair value of the equity-settled share-based payment granted under the EISP 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 | \$0.253                | \$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 EISP over ordinary shares which are granted for nil cash consideration and have nil exercise prices.

|                                   | 2025<br>No.       | 2024<br>No.       |
|-----------------------------------|-------------------|-------------------|
| Balance at beginning of year      | 31,125,000        | 12,450,000        |
| Granted during the year           | 7,895,000         | 18,800,000        |
| Exercised during the year         | (18,433,333)      | (100,000)         |
| Lapsed/ cancelled during the year | (74,837)          | (25,000)          |
| <b>Balance at end of year</b>     | <b>20,511,830</b> | <b>31,125,000</b> |

Vested and exercisable at the end of financial year

|                  |                   |
|------------------|-------------------|
| <b>4,958,496</b> | <b>15,433,333</b> |
|------------------|-------------------|

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025

### 23. SHARE-BASED PAYMENTS (CONT'D)

#### (b) Performance rights (cont'd)

The following table illustrate the number of, and movements in, performance rights during the year:

| PR ID | Grant date | Expiry date | Balance at 1 July 2024 | Granted | Exercised   | Lapsed/ cancelled | Balance at 30 June 2025 | Vested    |
|-------|------------|-------------|------------------------|---------|-------------|-------------------|-------------------------|-----------|
| PRA   | 23/03/2023 | 23/03/2028  | 500,000                | -       | (500,000)   | -                 | -                       | -         |
| PRB   | 23/03/2023 | 23/03/2028  | 250,000                | -       | (250,000)   | -                 | -                       | -         |
| PRC   | 23/03/2023 | 23/03/2028  | 250,000                | -       | -           | -                 | 250,000                 | 250,000   |
| PRE   | 01/06/2023 | 01/06/2028  | 33,333                 | -       | (33,333)    | -                 | -                       | -         |
| PRF   | 01/06/2023 | 01/06/2028  | 33,333                 | -       | -           | -                 | 33,333                  | 33,333    |
| PRG   | 01/06/2023 | 01/06/2028  | 33,334                 | -       | -           | -                 | 33,334                  | -         |
| PRI   | 21/06/2023 | 01/06/2028  | 9,250,000              | -       | (9,250,000) | -                 | -                       | -         |
| PRI   | 31/08/2023 | 01/06/2028  | 400,000                | -       | (400,000)   | -                 | -                       | -         |
| PRJ   | 21/06/2023 | 21/06/2028  | 2,000,000              | -       | (2,000,000) | -                 | -                       | -         |
| PRK   | 27/10/2023 | 30/07/2027  | 1,725,000              | -       | -           | (49,837)          | 1,675,163               | 1,675,163 |
| PRL   | 19/02/2024 | 19/02/2029  | 1,533,333              | -       | -           | (8,333)           | 1,525,000               | -         |
| PRM   | 19/02/2024 | 19/02/2029  | 1,533,333              | -       | -           | (8,333)           | 1,525,000               | -         |
| PRN   | 19/02/2024 | 19/02/2029  | 1,583,334              | -       | -           | (8,334)           | 1,575,000               | -         |
| PRO   | 19/02/2024 | 19/02/2029  | 3,000,000              | -       | (3,000,000) | -                 | -                       | -         |
| PRP   | 19/02/2024 | 19/02/2029  | 3,000,000              | -       | (3,000,000) | -                 | -                       | -         |
| PRQ   | 19/02/2024 | 19/02/2029  | 3,000,000              | -       | -           | -                 | 3,000,000               | 3,000,000 |
| PRR   | 24/04/2024 | 30/04/2029  | 500,000                | -       | -           | -                 | 500,000                 | -         |

Notes to the Consolidated Financial Statements  
For the Year Ended 30 June 2025



23. SHARE-BASED PAYMENTS (CONT'D)

(b) Performance rights (cont'd)

| PR ID | Grant date | Expiry date | Balance at 1 July 2024 | Granted          | Exercised           | Lapsed/cancelled | Balance at 30 June 2025 | Vested           |
|-------|------------|-------------|------------------------|------------------|---------------------|------------------|-------------------------|------------------|
| PRS   | 24/04/2024 | 30/04/2029  | 500,000                | -                | -                   | -                | 500,000                 | -                |
| PRT   | 24/04/2024 | 30/04/2029  | 500,000                | -                | -                   | -                | 500,000                 | -                |
| PRR   | 28/06/2024 | 30/04/2029  | 500,000                | -                | -                   | -                | 500,000                 | -                |
| PRU   | 28/06/2024 | 30/04/2029  | 1,000,000              | -                | -                   | -                | 1,000,000               | -                |
| PRV   | 05/07/2024 | 01/04/2029  | -                      | 750,000          | -                   | -                | 750,000                 | -                |
| PRW   | 06/09/2024 | 01/09/2029  | -                      | 165,000          | -                   | -                | 165,000                 | -                |
| PRX   | 24/12/2024 | 31/12/2028  | -                      | 2,075,000        | -                   | -                | 2,075,000               | -                |
| PRY   | 24/12/2024 | 31/12/2028  | -                      | 2,075,000        | -                   | -                | 2,075,000               | -                |
| PRZ   | 24/12/2024 | 31/12/2028  | -                      | 1,500,000        | -                   | -                | 1,500,000               | -                |
| PRAA  | 24/12/2024 | 31/12/2028  | -                      | 333,333          | -                   | -                | 333,333                 | -                |
| PRAB  | 24/12/2024 | 31/12/2028  | -                      | 333,333          | -                   | -                | 333,333                 | -                |
| PRAC  | 24/12/2024 | 31/12/2028  | -                      | 333,334          | -                   | -                | 333,334                 | -                |
| PRAA  | 31/01/2025 | 31/12/2028  | -                      | 110,000          | -                   | -                | 110,000                 | -                |
| PRAB  | 31/01/2025 | 31/12/2028  | -                      | 110,000          | -                   | -                | 110,000                 | -                |
| PRAC  | 31/01/2025 | 31/12/2028  | -                      | 110,000          | -                   | -                | 110,000                 | -                |
|       |            |             | <b>31,125,000</b>      | <b>7,895,000</b> | <b>(18,433,333)</b> | <b>(74,837)</b>  | <b>20,511,830</b>       | <b>4,958,496</b> |

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 23. SHARE-BASED PAYMENTS (CONT'D)

#### (b) Performance rights (cont'd)

During the year, 18,433,333 (2024: 100,000) performance rights were exercised and converted into shares at nil consideration and 74,837 (2024: 25,000) performance rights were cancelled upon cessation of consultants.

During the year, the Company granted 7,895,000 performance rights (2024: 18,800,000) to directors, employees and consultants with various vesting conditions, of which 3,350,000 performance rights (2024: 7,350,000) were granted to KMP as detailed in the remuneration report.

Details of performance rights granted during the year are set out below:

| PR ID | Grant date | Expiry date | Number    | Fair value at grant date | Total Fair value \$ |
|-------|------------|-------------|-----------|--------------------------|---------------------|
| PRV   | 05/07/2024 | 01/04/2029  | 750,000   | \$0.81                   | 607,500             |
| PRW   | 06/09/2024 | 01/09/2029  | 165,000   | \$0.94                   | 155,100             |
| PRX   | 24/12/2024 | 31/12/2028  | 2,075,000 | \$0.73                   | 1,518,283           |
| PRY   | 24/12/2024 | 31/12/2028  | 2,075,000 | \$0.96                   | 1,999,000           |
| PRZ   | 24/12/2024 | 31/12/2028  | 1,500,000 | \$0.98                   | 1,470,000           |
| PRAA  | 24/12/2024 | 31/12/2028  | 333,333   | \$0.62                   | 207,300             |
| PRAB  | 24/12/2024 | 31/12/2028  | 333,333   | \$1.05                   | 351,000             |
| PRAC  | 24/12/2024 | 31/12/2028  | 333,334   | \$1.05                   | 351,001             |
| PRAA  | 31/01/2025 | 31/12/2028  | 110,000   | \$1.00                   | 110,286             |
| PRAB  | 31/01/2025 | 31/12/2028  | 110,000   | \$1.15                   | 125,950             |
| PRAC  | 31/01/2025 | 31/12/2028  | 110,000   | \$1.15                   | 125,950             |

The total value has been recognised straight line over the service period or vesting condition. Vesting conditions are set out below:

| 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.   |
| PRI, 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   |



## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 23. SHARE-BASED PAYMENTS (CONT'D)

#### (b) Performance rights (cont'd)

| PR ID | Vesting conditions  |
|-------|---|
| 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.   |
| PRV   | Upon remaining employed or engaged by the Company (or a related body corporate) for a continuous period up to and including 1 April 2027.   |
| PRX   | Upon continuous engagement by the Company until 30 June 2027 and the Company's shares achieving a 20-Day VWAP of \$1.40 or greater prior to 30 June 2027.   |
| PRY   | Upon continuous engagement by the Company until 30 June 2027 and the Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent on or before 30 June 2027.                                     |
| PRZ   | Upon continuous engagement by the Company until 30 June 2027 and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2026.                            |
| PRAA  | Upon continuous engagement by the Company until 31 December 2027 and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.   |
| PRAB  | Upon continuous engagement by the Company until 31 December 2027 and the Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent on or before 31 December 2027.                             |
| PRAC  | Upon continuous engagement by the Company until 31 December 2027 and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2027.                        |

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 23. SHARE-BASED PAYMENTS (CONT'D)

#### (b) Performance rights (cont'd)

##### *Valuation of performance rights*

Performance rights are issued for nil consideration and the terms of the performance rights are 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 \$4,056,664 (2024: \$4,309,573) has been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

#### (c) Restricted Stock Units

During the year, the Company granted 500,000 Restricted Stock Units ("RSUs") to an employee of its Chilean operations for a cash consideration of \$10. The RSUs are being issued under the similar terms and conditions to performance rights issued under the Company's EISP.

RSUs will vest on the date the vesting conditions have been satisfied. Upon vesting, each RSU is convertible into one fully paid ordinary share in the Company.

Details of RSUs granted during the year are set out below:

| Class | Grant date | Expiry date | Number  | Fair value at grant date | Total fair value \$ |
|-------|------------|-------------|---------|--------------------------|---------------------|
| RSA   | 31/01/2025 | 31/12/2028  | 166,666 | \$1.0026                 | 167,099             |
| RSB   | 31/01/2025 | 31/12/2028  | 166,667 | \$1.15                   | 190,834             |
| RSC   | 31/01/2025 | 31/12/2028  | 166,667 | \$1.15                   | 190,834             |

The total value has been recognised straight line over the service period or vesting condition. During the year, \$77,362 has been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income representing the amount vested for the year ended 30 June 2025.

The RSUs are subject to the following vesting conditions:

| Class | Vesting conditions   |
|-------|--|
| RSA   | Upon continuous engagement by the Company until 31 December 2027 and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.  |
| RSB   | Upon continuous engagement by the Company until 31 December 2027 and the Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent on or before 31 December 2027.      |
| RSC   | Upon continuous engagement by the Company until 31 December 2027 and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2027. |

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 23. SHARE-BASED PAYMENTS (CONT'D)

#### (c) Shares issued in lieu of consultancy fee

During the year, the Company issued 461,539 fully paid ordinary shares at an issue price of \$0.65 per share to a consultant in lieu of his consultancy fees. Total amount of \$300,000 was recognised as share-based payment expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

### 24. ASSET ACQUISITION

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.

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 20);
- (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 21).

**Notes to the Consolidated Financial Statements  
For the Year Ended 30 June 2025**



**24. ASSET ACQUISITION (CONT'D)**

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.

***Assets acquired and liabilities assumed***

|  | <b>21 February 2024<br/>(As restated)<br/>\$</b> |
|--|--|
| Cash and cash equivalent               | 140,948  |
| Trade and other receivables            | 38,386   |
| Other receivables – Mandalay           | 5,720,840  |
| Exploration and evaluation expenditure | 15,809,570                                       |
| Plant and equipment                    | 3,132,218  |
| <b>Total identifiable assets</b>       | <b>24,841,962</b>                                |
| Trade and other payables               | (1,466,398)                                      |
| Provisions – current                   | (85,100)   |
| Lease liabilities                      | (149,757)  |
| Provision for rehabilitation           | (18,140,707)                                     |
| <b>Total identifiable liabilities</b>  | <b>(19,841,962)</b>                              |
| <b>Net identifiable assets</b>         | <b>5,000,000</b>                                 |

***Cash flows on acquisition***

|   | <b>21 February 2024<br/>\$</b> |
|---|--------------------------------|
| Purchase cash consideration             | 4,374,069                      |
| Less: cash held at date of acquisition  | (140,948)                      |
| <b>Net cash outflows on acquisition</b> | <b>4,233,121</b>               |

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## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 25. CASH FLOW INFORMATION

Reconciliation of loss after income tax expense to net cash used in operating activities for the financial years ended 30 June 2025 and 2024 are set out below:

|  | 2025               | 2024               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| Loss before income tax expense                   | (17,461,406)       | (10,125,434)       |
| <i>Non-cash items</i>                            |                    |                    |
| Depreciation and amortisation                    | 387,907            | 145,207            |
| Impairment/ write-off                            | 3,200,565          | 1,429,961          |
| Share-based payment                              | 4,434,026          | 4,309,573          |
| Fair value gain on financial assets at FVPL      | (24,000)           | -                  |
| Gain on disposal of plant and equipment          | (5,937)            | -                  |
| Interest expense                                 | 1,234,187          | 390,477            |
| Interest income                                  | (487,980)          | (190,314)          |
| <i>Changes in current assets and liabilities</i> |                    |                    |
| (Increase) in trade and other receivables        | (2,657,265)        | (286,824)          |
| Increase in trade and other payables             | 2,113,513          | 390,404            |
| Increase in provisions – current                 | 181,826            | 37,444             |
| <b>Net cash used in operating activities</b>     | <b>(9,084,564)</b> | <b>(3,899,506)</b> |

#### *Non-cash investing and financing activities*

There were no other significant non-cash investing and financing activities, except those disclosed in Note 15 and Note 19.

### 26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, other assets, trade and other payables and lease liabilities. 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:

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

#### 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.

#### *Interest rate risk*

The Group's exposure to market risk for changes in interest rates primarily to the Group's cash and cash equivalents and lease liabilities. Cash and cash equivalents are subject to floating interest rates while lease liabilities 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:

|  | Floating<br>interest<br>rate<br>\$ | Fixed<br>interest<br>rate<br>\$ | Non-<br>interest<br>bearing<br>\$ | Total<br>carrying<br>amount<br>\$ |
|--|------------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| <b>2025</b>                                |                                    |                                 |                                   |                                   |
| <i>Financial assets</i>                    |                                    |                                 |                                   |                                   |
| Cash and cash equivalents                  | 12,236,390                         | -                               | -                                 | 12,236,390                        |
| Trade and other receivables                | -                                  | -                               | 73,957                            | 73,957                            |
| Financial assets at FVPL                   | -                                  | -                               | 24,000                            | 24,000                            |
| Other assets                               | -                                  | -                               | 62,434                            | 62,434                            |
| Other receivables – Mandalay               | -                                  | 6,610,468                       | -                                 | 6,610,468                         |
| <b>Total financial assets</b>              | <b>12,236,390</b>                  | <b>6,610,468</b>                | <b>160,391</b>                    | <b>19,007,249</b>                 |
| <i>Financial liabilities</i>               |                                    |                                 |                                   |                                   |
| Trade and other payables                   | -                                  | -                               | (3,511,632)                       | (3,511,632)                       |
| Lease liabilities                          | -                                  | (373,912)                       | -                                 | (373,912)                         |
| <b>Total financial liabilities</b>         | <b>-</b>                           | <b>(373,912)</b>                | <b>(3,511,632)</b>                | <b>(3,885,544)</b>                |
| <b>Net financial assets/ (liabilities)</b> | <b>12,236,390</b>                  | <b>6,236,556</b>                | <b>(3,351,241)</b>                | <b>15,121,705</b>                 |
| <b>2024</b>                                |                                    |                                 |                                   |                                   |
| <i>Financial assets</i>                    |                                    |                                 |                                   |                                   |
| Cash and cash equivalents                  | 9,924,422                          | -                               | -                                 | 9,924,422                         |
| Trade and other receivables                | -                                  | -                               | 76,332                            | 76,332                            |
| Other assets                               | -                                  | -                               | 85,034                            | 85,034                            |
| Other receivables – Mandalay               | -                                  | 5,888,230                       | -                                 | 5,888,230                         |
| <b>Total financial assets</b>              | <b>9,924,422</b>                   | <b>5,888,230</b>                | <b>161,366</b>                    | <b>15,974,018</b>                 |
| <i>Financial liabilities</i>               |                                    |                                 |                                   |                                   |
| Trade and other payables                   | -                                  | -                               | (1,060,931)                       | (1,060,931)                       |
| Lease liabilities                          | -                                  | (112,628)                       | -                                 | (112,628)                         |
| <b>Total financial liabilities</b>         | <b>-</b>                           | <b>(112,628)</b>                | <b>(1,060,931)</b>                | <b>(1,173,559)</b>                |
| <b>Net financial assets/ (liabilities)</b> | <b>9,924,422</b>                   | <b>5,775,602</b>                | <b>(899,565)</b>                  | <b>14,800,459</b>                 |



## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

Interest rate risk exposure:

|  | Post tax loss<br>Higher/ (lower) |          | Other comprehensive<br>Income<br>Higher/ (lower) |      |
|--|----------------------------------|----------|--|------|
|  | 2025                             | 2024     | 2025   | 2024 |
|  | \$                               | \$       | \$   | \$   |
| <i>Judgment or reasonably possible movements</i> |                                  |          |  |      |
| +0.25% basis points                              | 46,862                           | 39,250   | -  | -    |
| -0.25% basis points                              | (46,862)                         | (39,250) | -  | -    |

#### *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 United States 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.

The carrying amount of the Group's foreign currency denominated financial assets and liabilities at the reporting date are as follows:

|                              | 2025               |                  | 2024             |                  |
|------------------------------|--------------------|------------------|------------------|------------------|
|                              | USD                | CLP              | USD              | CLP              |
| <i>Financial assets</i>      |                    |                  |                  |                  |
| Cash and cash equivalents    | 1,856,185          | 1,272            | 15,063           | 7,508            |
| Trade and other receivables  | 6,093              | 652              | 10,014           | -                |
| <b>Total</b>                 | <b>1,862,278</b>   | <b>1,924</b>     | <b>25,077</b>    | <b>7,508</b>     |
| <i>Financial liabilities</i> |                    |                  |                  |                  |
| Trade and other payables     | (2,740,047)        | (56,006)         | (766,379)        | (67,716)         |
| Lease liabilities            | -                  | (373,912)        | -                | (91,182)         |
| <b>Total</b>                 | <b>(2,740,047)</b> | <b>(429,918)</b> | <b>(766,379)</b> | <b>(158,898)</b> |

#### 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.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

#### Credit risk (cont'd)

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 other receivables.

#### 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 lease liabilities with a remaining term of over 12 months but less than 24 months. Refer to Note 19 for details. All other financial liabilities are expected to be settled within 12 months.

### 27. FAIR VALUE MEASUREMENT

For all financial assets and financial 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.

|                          | Level 1<br>\$ | Level 2<br>\$    | Level 3<br>\$ | Total<br>\$      |
|--------------------------|---------------|------------------|---------------|------------------|
| <b>2025</b>              |               |                  |               |                  |
| Financial assets at FVPL | 24,000        | -                | -             | 24,000           |
| Other receivables        | -             | 6,610,468        | -             | 6,610,468        |
|                          | <b>24,000</b> | <b>6,610,468</b> | <b>-</b>      | <b>6,634,468</b> |
| <b>2024</b>              |               |                  |               |                  |
| Other receivables        | -             | 5,888,230        | -             | 5,888,230        |
|                          | <b>-</b>      | <b>5,888,230</b> | <b>-</b>      | <b>5,888,230</b> |

There were no transfers between levels during the current financial year (2024: None).

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

# Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



## 28. RELATED PARTY TRANSACTIONS

### *Parent entity*

Andean Silver Limited is the parent entity.

### *Controlled entities*

Interest in controlled entities are set out in Note 29.

### *Key management personnel*

Disclosures relating to key management personnel are set out in Note 10 and the Remuneration Report included in the Directors' Report.

### *Transactions with related parties*

Cygnus Metals Limited, a company of which David Southam and Raymond Shorrocks are directors, recharged shared office costs to the Company during the year ended 30 June 2025 totalling \$30,192 (2024: \$7,887). \$793 was owing to Cygnus Metals Limited by the Company as at 30 June 2025 (2024: \$14).

In the prior year, Alicanto Minerals Limited, a company of which Raymond Shorrocks is a director, recharged shared office costs to the Company totalling \$3,567. There were no recharged shared office costs from Alicanto Minerals Limited during the financial year.

In the prior year, FireFly Metals Limited, a company of which Raymond Shorrocks was a director until March 2024, recharged shared office and administrative service costs to the Company totalling \$54,336. There were no recharged shared office costs from FireFly Metals Limited during the financial year.

There were no other related party transactions during the year.

### *Terms and conditions of transactions with related parties*

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash and are presented as part of trade payables. There have been no bank guarantees provided for any related party payables. Amounts shown are net of GST paid or payable.

## 29. INTEREST IN CONTROLLED ENTITIES

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 3.

|  | Country of<br>incorporation | Ownership<br>interest<br>(%) |      |
|--|-----------------------------|------------------------------|------|
|  |                             | 2025                         | 2024 |
| Bellpark Minerals Pty Ltd  | Australia                   | 100                          | 100  |
| Mitre Mining Chile Pty Ltd   | Australia                   | 100                          | 100  |
| Equus Resources Pty Ltd  | Australia                   | 100                          | 100  |
| Mitre Mining (Chile) SpA   | Chile                       | 100                          | 100  |
| Andean Silver Chile I SpA (previously Equus Resources (Chile) SpA) | Chile                       | 100                          | 100  |
| Andean Silver Chile II SpA (previously Minera Equus (Chile) SpA)   | Chile                       | 100                          | 100  |
| Compania Minera Cerro Bayo SpA                                     | Chile                       | 100                          | 100  |

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 30. PARENT ENTITY INFORMATION

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

|   | 2025<br>\$        | 2024<br>\$         |
|---|-------------------|--------------------|
| <b>Statement of profit or loss and other comprehensive income</b> |                   |                    |
| Loss after income tax   | (10,106,814)      | (8,582,096)        |
| Total comprehensive loss  | (10,106,814)      | (8,582,096)        |
| <b>Statement of financial position</b>                            |                   |                    |
| Current assets  | 32,338,032        | 12,959,045         |
| <b>Total assets</b>   | <b>38,021,282</b> | <b>19,277,586</b>  |
| Current liabilities   | (830,127)         | (1,271,560)        |
| <b>Total liabilities</b>  | <b>(830,127)</b>  | <b>(1,281,622)</b> |
| Share capital   | 48,988,153        | 23,820,194         |
| Reserves  | 9,301,270         | 5,167,224          |
| Accumulated losses  | (21,098,268)      | (10,991,454)       |
| <b>Total contributed capital</b>                                  | <b>37,191,155</b> | <b>17,995,964</b>  |

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

The parent entity had no guarantees in relation to the debts of its controlled entities as at 30 June 2025 and 20 June 2024.

#### Contingent assets and contingent liabilities of the parent entity

There are no material contingent assets and contingent liabilities as at 30 June 2025 and 30 June 2024.

#### Dividends

No dividends were paid or declared during the year (2024: Nil).

### 31. COMMITMENTS AND CONTINGENCIES

#### Capital commitments

As at 30 June 2025, the Group has no capital commitments (2024: Nil).

#### Mineral tenements and lease commitments

##### Australia

The Group pays minimal annual license 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.

## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 31. COMMITMENTS AND CONTINGENCIES (CONT'D)

#### *Chile*

There are no minimum expenditure commitments on any of the mining claims in Chile. The Group pays annual mining claim fees due at 31 March of each year estimated to be between \$400,000 - \$500,000.

#### **Contingencies**

There are no material contingent assets or liabilities as at 30 June 2025.

### 32. 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 Groups 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 (Lithium and Rare Earth minerals)

Araluen Project - NSW

Pilbara Project, Mt Alexander Project and View Hill Project - WA

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.

#### *Operating segment information*

|                                       | Chile<br>\$        | Australia<br>\$  | Corporate<br>Unallocated<br>\$ | Total<br>\$         |
|---------------------------------------|--------------------|------------------|--------------------------------|---------------------|
| <b>2025</b>                           |                    |                  |                                |                     |
| Income                                | 596,251            | 33,000           | 779,056                        | 1,408,307           |
| <b>Total income</b>                   | <b>596,251</b>     | <b>33,000</b>    | <b>779,056</b>                 | <b>1,408,307</b>    |
| Impairment                            | (2,585,585)        | (614,980)        | -                              | (3,200,565)         |
| Share-based payment expense           | -                  | -                | (4,434,026)                    | (4,434,026)         |
| Depreciation and amortisation         | (322,573)          | -                | (65,350)                       | (387,923)           |
| Interest expense                      | (1,234,187)        | -                | (1,947)                        | (1,236,134)         |
| Other expenses                        | (4,598,485)        | (9,000)          | (5,003,580)                    | (9,611,065)         |
| <b>Total expenses</b>                 | <b>(8,740,830)</b> | <b>(623,980)</b> | <b>(9,504,903)</b>             | <b>(18,869,713)</b> |
| <b>Loss before income tax expense</b> | <b>(8,144,579)</b> | <b>(590,980)</b> | <b>(8,725,847)</b>             | <b>(17,461,406)</b> |
| Income tax expense                    |                    |                  |                                | -                   |
| <b>Loss after income tax expense</b>  |                    |                  |                                | <b>(17,461,406)</b> |

**Notes to the Consolidated Financial Statements  
For the Year Ended 30 June 2025**



**32. OPERATING SEGMENTS (CONT'D)**

*Operating segment information (cont'd)*

|                     | Chile<br>\$  | Australia<br>\$ | Corporate<br>Unallocated<br>\$ | Total<br>\$  |
|---------------------|--------------|-----------------|--------------------------------|--------------|
| <b>2025</b>         |              |                 |                                |              |
| Segment assets      | 41,972,293   | 24,000          | 10,733,112                     | 52,729,405   |
| Segment liabilities | (23,809,195) | -               | (830,187)                      | (24,639,382) |

|                                       | Chile<br>\$        | Australia<br>\$    | Corporate<br>Unallocated<br>\$ | Total<br>\$         |
|---------------------------------------|--------------------|--------------------|--------------------------------|---------------------|
| <b>2024</b>                           |                    |                    |                                |                     |
| Income                                | 190,223            | -                  | 115,065                        | 305,288             |
| <b>Total income</b>                   | <b>190,223</b>     | <b>-</b>           | <b>115,065</b>                 | <b>305,288</b>      |
| Impairment/ write-off                 | (177,348)          | (1,252,613)        | -                              | (1,429,961)         |
| Share-based payment expense           | -                  | -                  | (4,309,573)                    | (4,309,573)         |
| Depreciation and amortisation         | (94,478)           | -                  | (50,729)                       | (145,207)           |
| Interest expense                      | (390,477)          | -                  | (1,602)                        | (392,079)           |
| Other expenses                        | (991,840)          | -                  | (3,162,062)                    | (4,153,902)         |
| <b>Total expenses</b>                 | <b>(1,654,143)</b> | <b>(1,252,613)</b> | <b>(7,523,966)</b>             | <b>(10,430,722)</b> |
| <b>Loss before income tax expense</b> | <b>(1,463,920)</b> | <b>(1,252,613)</b> | <b>(7,408,901)</b>             | <b>(10,125,434)</b> |
| Income tax expense                    |                    |                    |                                | -                   |
| <b>Loss after income tax expense</b>  |                    |                    |                                | <b>(10,125,434)</b> |

*Operating segment information (cont'd)*

|                     |              |         |             |              |
|---------------------|--------------|---------|-------------|--------------|
| Segment assets      | 27,584,494   | 569,658 | 9,418,080   | 37,572,232   |
| Segment liabilities | (19,496,336) | -       | (1,281,564) | (20,777,900) |

**33. EVENTS AFTER THE REPORTING PERIOD**

On 2 July 2025, the Company granted the following securities:

- 450,122 restricted stock units to certain Chilean employees for a total cash consideration of A\$20; and
- 250,000 performance rights to a KMP.



## Notes to the Consolidated Financial Statements For the Year Ended 30 June 2025



### 33. EVENTS AFTER THE REPORTING PERIOD (CONT'D)

On 18 July 2025, the Company announced that it had received firm commitments totalling \$30 million (before share issue costs) via a Placement of 25,000,000 ordinary shares at an issue price of \$1.20 per share to institutional and sophisticated investors. Proceeds of the Placement will be used for drilling aimed at growing the Mineral Resource Estimate in both brownfield and greenfield areas, as well as converting Inferred Resources into Measured and Indicated Resources. This will support delivery of a mining study, metallurgical and geotechnical test work and other restart study activities. Proceeds will also fund working capital and payment of Placement costs. The Placement was completed on 25 July 2025.

On 18 July 2025, the Company's common shares commenced trading on the OTCQX Market under the symbol "ADSLF" giving the Company direct access to investors in North America. OTC trading is non-dilutive to existing shareholders as no new shares are being issued to enable trading to OTCQX.

On 23 July 2025, the Company issued 500,000 ordinary shares on the exercise of 500,000 options at an issue price of \$0.40 per share, resulting in proceeds of \$200,000.

On 31 July 2025, Andrew Bickley resigned as Joint Company Secretary of the Company.

On 21 August 2025, the Company issued 3,675,163 ordinary shares on the conversion of 3,675,163 performance rights for nil consideration.

On 25 August 2025, the Company issued 250,000 ordinary shares on the conversion of 250,000 performance rights for nil consideration.

There were no other matters or circumstances that have arisen since the end of the financial year which significantly affect or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

# CONSOLIDATED ENTITY DISCLOSURE STATEMENTS AS AT 30 JUNE 2025



## 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 2025 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         |
| Andean Silver I SpA (previously Equus Resources Chile SpA) | Body corporate | Chile                    | 100%               | Chile         |
| Andean Silver II SpA (previously 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



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 *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 2025 and of its performance for the year ended on that date;
- (b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1;
- (c) there are reasonable grounds to believe that the Company and the Group will be able to pay its debt as and when they become due and payable; 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.

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.

A handwritten signature in blue ink, appearing to read "DS", on a light-colored background.

David Southam

Non-Executive Chairman

Perth, Western Australia, 25 September 2025

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**RSM Australia Partners**

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Andean Silver Limited

#### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

##### 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 2025, 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 2025 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.

#### THE POWER OF BEING UNDERSTOOD

##### AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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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  |
|--|--|
| <b>Carrying value of Exploration and evaluation assets</b><br>Refer to Note 14 in the financial statements   |  |
| <p>As at 30 June 2025, the carrying value of the Group's capitalised Exploration and evaluation assets amounted to \$29,727,203 (June 2024: \$18,146,382), which represented 56% of the total assets of the Group as at that date.</p> <p>Under the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ('AASB 6'), the carrying value of Exploration and evaluation assets is required to be assessed, including:</p> <ul style="list-style-type: none"> <li>• Determination of whether expenditure can be associated with the exploration for and evaluation of mineral resources, and the basis on which that expenditure is allocated to an area of interest;</li> <li>• Assessment of whether any indicators of impairment are present. If so, the judgements applied to determine and quantify any impairment loss; and</li> <li>• Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be determined.</li> </ul> <p>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.</p> | <p>Our audit procedures in relation to the carrying value of Exploration and evaluation assets included:</p> <ul style="list-style-type: none"> <li>• Reviewing the Group's accounting policy in relation to exploration and evaluation expenditure to confirm it is in accordance with AASB 6;</li> <li>• 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;</li> <li>• 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;</li> <li>• Assessing management's assessment for potential indicators of impairment as at 30 June 2025. 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;</li> <li>• 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</li> <li>• Reviewing the related disclosures included in the financial report for their adequacy and completeness.</li> </ul> |

**Key Audit Matters (continued)**

| Key Audit Matter   | How our audit addressed this matter   |
|--|---|
| <b>Valuation of Options and Performance Rights</b><br>Refer to Note 23 to the financial statements   |   |
| <p>During the year, the Company recognised share-based payments expenses amounting to \$4,434,026, resulting from a combination of instruments issued in the prior period and the following instruments issue this year:</p> <ul style="list-style-type: none"> <li>• 7,895,000 performance rights to directors, employees and consultants with various vesting conditions, including 3,350,000 performance rights granted to key management employees.</li> <li>• 461,539 shares issued in lieu of consultancy fee;</li> <li>• 500,000 Restricted Stock Units to an employee located in Chile.</li> </ul> <p>The total share-based payments expenses in relation to the instruments issued in the current year amounts to \$2.0 million.</p> <p>Management has accounted for these arrangements in accordance with AASB 2 <i>Share-Based Payments</i> ('AASB 2').</p> <p>We consider this to be a key audit matter because of:</p> <ul style="list-style-type: none"> <li>• the complexity of the accounting required to value the instruments;</li> <li>• the judgmental nature of inputs into the valuation models, including the likelihood of vesting conditions being met, and the appropriate valuation methodology to apply; and</li> <li>• the non-routine nature of the transactions and its impact in the equity of the Company.</li> </ul> | <p>Our audit procedures in relation to the accounting and valuation of options and performance rights included:</p> <ul style="list-style-type: none"> <li>• Making enquiries of management, about the nature of and the rationale behind the instruments issued;</li> <li>• Reviewing the terms and conditions of the instruments issued;</li> <li>• Reviewing the valuation methodology to ensure it is in compliance with AASB 2; including verifying the mathematical accuracy of the underlying model used;</li> <li>• Testing the inputs to the valuation model for reasonableness by: <ul style="list-style-type: none"> <li>◦ obtaining evidence to justify management's judgements over key inputs; and</li> <li>◦ 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.</li> </ul> </li> <li>• 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 <ul style="list-style-type: none"> <li>◦ Reviewing the adequacy of the relevant disclosures, including the disclosures in respect of judgments made, in the financial statements.</li> </ul> </li> </ul> |



## 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 2025; 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.

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](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 34 to 47 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Andean Silver Limited, for the year ended 30 June 2025, 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.

A handwritten signature in dark ink, appearing to be "RSM".

### **RSM AUSTRALIA PARTNERS**

A handwritten signature in dark ink, appearing to be "R J Morillo Maldonado".

**R J MORILLO MALDONADO**  
Partner

Dated: 25 September 2025  
Melbourne, Victoria

# ASX ADDITIONAL SHAREHOLDER INFORMATION



As at 10 September 2025

## Twenty Largest Shareholders

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

| Name  | No. of Shares      | % of issued capital |
|---|--------------------|---------------------|
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                             | 42,302,816         | 22.48               |
| CITICORP NOMINEES PTY LIMITED   | 24,359,677         | 12.94               |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED                             | 14,200,525         | 7.55                |
| SYMORGH INVESTMENTS PTY LTD <SYMORGH A/C>                             | 12,639,113         | 6.72                |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>        | 7,287,087          | 3.87                |
| GOLD LEAF CORPORATE PTY LTD <GOLD LEAF CORPORATE A/C>                 | 6,686,111          | 3.55                |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>                | 5,249,649          | 2.79                |
| BNP PARIBAS NOMS PTY LTD  | 5,217,579          | 2.77                |
| UBS NOMINEES PTY LTD  | 5,060,286          | 2.69                |
| SYMORGH INVESTMENTS PTY LTD <SYMORGH A/C>                             | 3,028,143          | 1.61                |
| SPRING STREET HOLDINGS PTY LTD  | 2,757,143          | 1.47                |
| SYMORGH SUPER PTY LTD <SYMORGH SUPER FUND A/C>                        | 1,892,857          | 1.01                |
| ATEQ INVESTMENTS PTY LTD  | 1,608,643          | 0.85                |
| MR ANTHONY ROBERTS  | 1,196,456          | 0.64                |
| BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>                            | 1,156,711          | 0.61                |
| MR PHILLIP RICHARD PERRY  | 1,140,000          | 0.61                |
| BARGOLD HOLDINGS PTY LTD <MOIR SUPER FUND A/C>                        | 900,000            | 0.48                |
| BENGAL MCCARTHY PTY LTD <MCCARTHY SUPER FUND A/C>                     | 890,000            | 0.47                |
| MR PHILLIP RICHARD PERRY + MRS TETYANA PERRY <DONESKA SUPER FUND A/C> | 889,801            | 0.47                |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2                     | 768,813            | 0.41                |
| <b>TOTAL TOP 20 HOLDERS OF FULLY PAID ORDINARY SHARES</b>             | <b>139,231,410</b> | <b>73.98</b>        |
| <b>TOTAL REMAINING HOLDERS BALANCE</b>                                | <b>48,967,508</b>  | <b>26.02</b>        |

## Substantial Shareholders

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

| Holder Name             | No. of Shares | % of issued capital |
|-------------------------|---------------|---------------------|
| STEPHEN PARSONS         | 17,671,225    | 9.39%               |
| THE BANK OF NOVA SCOTIA | 17,000,000    | 9.03%               |
| SPROTT INC              | 10,989,985    | 5.84%               |

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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. of Shares      | % of issued capital |
|------------------|--------------|--------------------|---------------------|
| 1 - 1,000        | 459          | 281,083            | 0.15                |
| 1,001 - 5,000    | 804          | 2,229,724          | 1.18                |
| 5,001 - 10,000   | 372          | 2,967,293          | 1.58                |
| 10,001 - 100,000 | 579          | 18,665,707         | 9.92                |
| 100,001 and over | 123          | 164,055,111        | 87.17               |
| <b>Totals</b>    | <b>2,337</b> | <b>188,198,918</b> | <b>100.00</b>       |

### Less than marketable parcels of shares

There were 61 holders of less than a marketable parcel of shares, based on the closing market price of \$1.46 per share on 10 September 2025.

### Options

#### Spread

| Range            | Holders  | No. of Options   | % units       |
|------------------|----------|------------------|---------------|
| 1 - 1,000        | -        | -                | -             |
| 1,001 - 5,000    | -        | -                | -             |
| 5,001 - 10,000   | -        | -                | -             |
| 10,001 - 100,000 | -        | -                | -             |
| 100,001 and over | 4        | 4,050,000        | 100.00        |
| <b>Totals</b>    | <b>4</b> | <b>4,050,000</b> | <b>100.00</b> |

#### Classes

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

\* 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) and (b) 50% are held by Charlton WA Pty Ltd <Tinamara Super Fund A/C> and 50% are held by PYAP Park Pty Ltd <PD & BG Schammer S/Fund A/C>; and

(c) 54% are held by CG Nominees (Australia) Pty Ltd, 23% are held by Charlton WA Pty Ltd <Tinamara Super Fund A/C> and 23% are held by PYAP Park Pty Ltd <PD & BG Schammer S/Fund A/C>.

## ASX ADDITIONAL SHAREHOLDER INFORMATION



### Performance Rights

#### Spread

| Range            | Holders   | No. of Performance Rights | % units       |
|------------------|-----------|---------------------------|---------------|
| 1 - 1,000        | -         | -                         | -             |
| 1,001 - 5,000    | -         | -                         | -             |
| 5,001 - 10,000   | -         | -                         | -             |
| 10,001 - 100,000 | 3         | 191,667                   | 1.14          |
| 100,001 and over | 16        | 16,645,000                | 98.86         |
| <b>Totals</b>    | <b>19</b> | <b>16,836,667</b>         | <b>100.00</b> |

#### Classes

| Class | Expiry     | Holders* | No. of Performance Rights |
|-------|------------|----------|---------------------------|
| PRF   | 01/06/2028 | 1        | 33,333                    |
| PRG   | 01/06/2028 | 1        | 33,334                    |
| PRK   | 30/07/2027 | 1        | 1,000,000                 |
| PRL   | 19/02/2029 | 8        | 1,525,000                 |
| PRM   | 19/02/2029 | 8        | 1,525,000                 |
| PRN   | 19/02/2029 | 8        | 1,575,000                 |
| 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                   |
| PRX   | 31/12/2028 | 4        | 2,075,000                 |
| PRY   | 31/12/2025 | 4        | 2,075,000                 |
| PRZ   | 31/12/2028 | 3        | 1,500,000                 |
| PAA   | 31/12/2028 | 4        | 526,666                   |
| PAB   | 31/12/2028 | 4        | 526,666                   |
| PAC   | 31/12/2028 | 4        | 526,668                   |

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

## ASX ADDITIONAL SHAREHOLDER INFORMATION



### Restricted Stock Units (“RSUs”)

#### Spread

| Range            | Holders  | No. of RSUs    | % units       |
|------------------|----------|----------------|---------------|
| 1 - 1,000        | -        | -              | -             |
| 1,001 - 5,000    | -        | -              | -             |
| 5,001 - 10,000   | -        | -              | -             |
| 10,001 - 100,000 | -        | -              | -             |
| 100,001 and over | 3        | 950,122        | 100.00        |
| <b>Totals</b>    | <b>3</b> | <b>950,122</b> | <b>100.00</b> |

#### Classes

| Class | Expiry     | Holders* | No. of RSUs |
|-------|------------|----------|-------------|
| RSA   | 31/12/2028 | 3        | 316,706     |
| RSB   | 31/12/2028 | 3        | 316,708     |
| RSC   | 31/12/2028 | 3        | 316,708     |

\* The names of holders and percentage of unquoted restricted stock units held for each class (where the holding was 20% or more of that class: 53% are held by Alvaro Heriberto Fuentes Castro and 28% are held by Sofia Lorena Aravena Fernandez.

#### 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. Holders of Options, Performance Rights and RSUs are not entitled to vote.

#### Restricted and Escrowed Securities

The Company does not have any restricted securities on issue, nor are there any securities on issue which are subject to voluntary escrow.

#### 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

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## ASX ADDITIONAL SHAREHOLDER INFORMATION



### 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 2025 are as follows:

### Australian Projects

| Tenement Number | Location          | Legal and beneficial interest | Registered Holder         |
|-----------------|-------------------|-------------------------------|---------------------------|
| E45/6126        | Western Australia | 100%                          | Bellpark Minerals Pty Ltd |
| E29/1167        | Western Australia | 100%*                         | Bellpark Minerals Pty Ltd |
| E36/1080        | 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 Copper-Gold Project, Chile

The below exploration and mining concessions in the Aysen Region of Southern Chile are held 100% by Compania Minera Cerro Bayo SpA:

|                  |   |
|------------------|---|
| 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  |
| 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      | CMCB 1  |
| CMCB 2           | CMCB 3  |
| CMCB 4           | CMCB 5  |
| CMCB 6           | CMCB 7  |

## SCHEDULE OF MINING TENEMENTS



|         |         |
|---------|---------|
| CMCB 8  | CMCB 9  |
| CMCB 10 | CMCB 11 |
| CMCB 12 | CMCB 13 |
| CMCB 14 | CMCB 15 |
| CMCB 16 | CMCB 17 |
| CMCB 18 |         |

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