

ANDEAN PRECIOUS METALS REPORTS Q1 2023 RESULTS

Reaffirms 2023 guidance

TORONTO, ON – May 24, 2023 – **Andean Precious Metals Corp.** (“**Andean**” or the “**Company**”) (TSX-V: APM) (OTCQX: ANPMF) reported its operating and financial results for the three months ended March 31, 2023. All amounts are expressed in United States dollars, unless otherwise noted (C\$ refers to Canadian dollars).

Q1 2023 Highlights

Three months ended March 31, 2023 vs. three months ended March 31, 2022

- The Company achieved zero lost time injuries (“LTI”) and achieved a significant safety milestone of 1.158 million operating hours with no LTI.
- Produced 1.0 million silver equivalent ounces¹ compared with 1.2 million silver equivalent ounces¹.
- Revenue decreased by 23% to \$23.0 million due to an 18% decline in production volume and a 6% reduction in the average realized price of silver per ounce.
- Cost of sales of \$21.2 million increased by 3% from \$20.6 million.
- Income from mine operations was \$0.4 million compared with \$6.4 million.
- Net income was \$0.2 million compared with net income of \$2.3 million in the prior year.
- Earnings before interest, taxes, depreciation and amortization (“EBITDA”)² and adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”)² of \$1.5 million and \$1.4 million, respectively, compared with \$8.1 million and \$6.6 million, respectively, in Q1 2022.
- All-in sustaining costs (“AISC”)² per silver ounce sold of \$24.27 compared to full year 2023 guidance of \$19.50 to \$20.30 per ounce. Planned production increases anticipated for the second half of 2023 are expected to decrease average AISC during 2023.
- The Company continues to expect silver equivalent production for 2023 to be between 4.8 million and 5.2 million ounces at a total average AISC² of \$19.50 to \$20.30 per ounce.

¹ Silver equivalent ounces include gold ounces and are converted to a silver equivalent based on a ratio of average realized silver and gold prices during the periods discussed.

² EBITDA, Adjusted EBITDA and AISC are non-IFRS measures. Refer to the “Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures” section of this press release.

- Debt-free balance sheet with cash and cash equivalents of \$75.8 million and marketable securities of \$6.1 million.
- Net cash flow used in operating activities for Q1 2023 was \$4.3 million, primarily due to the working capital movements arising from timing of some vendor payments.
- During Q1 2023, pursuant to its normal course issuer bid, the Company repurchased and cancelled 627,100 shares totaling \$0.4 million.
- The Company continues to advance the silver recovery project at its fines disposal facility.
- The Company recently received the Responsible Minerals Initiative Certification and the Environmental Management System Standard ISO 14001:2015 Certification. The Company is committed to working to achieve high environmental, social and corporate governance (“ESG”) standards and is implementing several community programs, while continuing to develop a broader framework and policies. The Company will continue to develop a broader ESG program, including reporting aligned with definitions from the World Economic Forum, and identifying its contributions to the United Nations Sustainable Development Goals over the remainder of FY 2023.

“The market volatility and inflationary pressures experienced in 2022 persisted throughout the first quarter and is expected to continue during the current year. We are nonetheless reaffirming our 2023 guidance based on the progress we are making at site and our planned strategies to increase operational efficiencies. Our industry consultants continue to review our operations for the purpose of further optimizing production and improving recoveries throughout the course of the year,” stated Alberto Morales, Executive Chairman and CEO of Andean.

Mr. Morales continued, “Moreover, our top priority is to extend the mine life at San Bartolomé by both pursuing contract opportunities with new third-party feed material providers and bringing the tailings material into production. After some delays, the tailings review is advancing and, subject to completion of the final feasibility studies and Board approval, we could be targeting to begin production of the fines deposit facility material in the first half of 2024. Simultaneous with improving the performance of our flagship asset in Bolivia, our focus is growth. We continue to evaluate potential acquisition targets in the wider Americas, and have narrowed potential targets to a short list, diversifying our geographic and production risk as we look to achieve our vision of becoming a multi-jurisdictional mid-tier producer.”

Summary of Operating and Financial Results

Operating Results Summary

		Q1 2023	Q1 2022	% Change
Tonnes mined ⁽¹⁾	k dmt	433	478	(9%)
Average mined grade	Ag g/t	53	96	(45%)
Tonnes purchased ⁽²⁾	k dmt	89	117	(24%)
Average purchased grade	Ag g/t	214	212	1%
Tonnes milled ⁽³⁾	k dmt	375	406	(8%)
Daily average throughput	dmt	4,461	4,608	(3%)
Average head grade	Ag g/t	106	117	(9%)
Silver recovery	%	79	78	1%
Silver production	k oz	978	1,151	(15%)
Gold production	oz	234	898	(74%)
Silver equivalent production ⁽⁴⁾	k oz	997	1,221	(18%)
Silver sales	k oz	982	1,173	(16%)
Gold sales	oz	215	671	(68%)
Silver equivalent sales ⁽⁴⁾	k oz	1,000	1,225	(18%)

Financial Results Summary

\$'000s, except per ounce and per share metrics	Q1 2023	Q1 2022	% Change
Revenue	23,045	29,888	(23%)
Cost of sales	21,217	20,647	3%
Income from mine operations	374	6,423	(94%)
Net income	219	2,274	(90%)
Net income per share			
- Basic	0.00	0.01	(100%)
- Diluted	0.00	0.01	(100%)
Net cash (used in) from operating activities	(4,323)	2,703	(260%)
Free cash flow ⁽⁵⁾	(4,886)	2,212	(321%)
EBITDA ⁽⁵⁾	1,516	8,071	(81%)
Adjusted EBITDA ⁽⁵⁾	1,373	6,586	(79%)
Ending cash and cash equivalents	75,793	89,541	(15%)
Capital expenditures	563	491	15%
Operating cash costs per ounce (by-product) ⁽⁵⁾	21.18	16.51	28%
All-in sustaining costs per ounce (by-product) ⁽⁵⁾	24.27	18.86	29%

- (1) Ore mined during 2023 and 2022 includes material mined from the Company's permitted areas, including Santa Rita, Huacajchi, Antuco, El Asiento, Monserrat and Tatasi-Portugalete. Mined ore is reported as Run-of-Mine ("ROM").
- (2) Purchased material includes oxidized material purchased from local mining cooperatives as well as through the Company's contract with RALP Compañía Minera S.R.L., a private Bolivian mining company.
- (3) Tonnes milled are reported as +8 mesh.
- (4) Silver equivalent production and silver equivalent sales include gold production and sales, respectively. Equivalent ounces are calculated using the Company's average realized gold and silver prices during the referenced period. Refer to the "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" section of this press release for further detail.
- (5) FCF, EBITDA, Adjusted EBITDA, operating cash costs ("OCC") and AISC are measures of financial performance with no prescribed definition under IFRS. Refer to the "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" section of this press release for further detail, including a reconciliation of these metrics to the financial statements.

FY2023 Guidance

The production outlook for 2023 is based on the Company's historical performance and experience. The 2023 outlook is forward looking and based on certain estimates and assumptions which involve risks and uncertainties and is predicated on global economic conditions. The Company believes the ongoing conflict in Ukraine and political and social unrest in Bolivia is having no material impact on its production and costs. Actual results may vary materially from management's expectations. For further information, please refer to the Company's "Forward-looking Statements" later in this press release and the "Risks Factors" section in the Company's management's discussion and analysis ("MD&A") for the three months ended March 31, 2023.

The following table sets out Andean's first quarter results against its full year 2023 guidance:

	YTD 2023 Actual	2023 Guidance ⁽¹⁾
Silver equivalent production	1.0 million oz	4.8 million oz to 5.2 million oz
AISC (by-product)	\$24.27/Ag oz	\$19.50 to \$20.30/Ag oz
Capital expenditures	\$0.5 million	\$8.0 million to \$10.0 million

(1) Andean's commodity price assumptions supporting this estimate are \$21.00/ounce silver and \$1,650/ounce gold.

Recent Developments

In April 2023, the Company entered silver collar contracts with an average put strike price of \$23 per ounce and an average call strike price of \$30 per ounce, for 200,000 ounces per month beginning August 2023 through to December 2023.

This news release should be read together with Andean's MD&A and condensed interim consolidated financial statements ("Financials") for the three months ended March 31, 2023 and 222, which are available on Andean's website or under Andean's profile on SEDAR (www.sedar.com).

Q1 2023 Webcast

Management will host a webcast tomorrow morning to discuss the Company's Q1 2023 financial and operating results. A question-and-answer session will follow management's prepared remarks. Details of the webcast are as follows:

Date and time: Thursday, May 25, 2023 at 9:00 a.m. ET



Registration: Please preregister for the webcast by following this link:
<https://webinars.theassay.com/andean-precious-metals-webcast>.

Registration is open now and will be available up and until the date and time of the webcast.

Webcast access: Upon registration, participants will receive an automatic email from Zoom with a link to access the webcast.

To access the live webcast of the earnings call, please connect at least 15 minutes prior to the start time to ensure adequate time for any software download that may be required to join the webcast.

Replay: A replay of the webcast will be available within approximately 48 hours after the live event at www.andeanpm.com.

Qualified Person Statement

The scientific and technical content disclosed in this press release was reviewed and approved by Donald J. Birak, Independent Consulting Geologist to the Company, a Qualified Person as defined by National Instrument 43-101 – *Standards for Disclosure for Mineral Projects*, Registered Member, Society for Mining, Metallurgy and Exploration (SME), Fellow, Australasian Institute of Mining and Metallurgy (AusIMM).

About Andean Precious Metals

Andean is a growth-focused precious metals producer that owns and operates the San Bartolomé project located in the department of Potosí, Bolivia. San Bartolomé has been operating continuously since 2008, producing an average of 5 million ounces of silver equivalent per year. The Company is seeking accretive growth opportunities in Bolivia and the wider Americas. Andean is committed to fostering safe, sustainable and responsible operations.

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Caution Regarding Forward-Looking Statements

Certain statements and information in this release constitute “forward-looking statements” within the meaning of applicable U.S. securities laws and “forward-looking information” within the meaning of applicable Canadian securities laws, which we refer to collectively as “forward-looking statements”. Forward-looking statements are statements and information regarding possible events, conditions or results of operations that are based upon assumptions about future economic conditions and courses of action. All statements and information other than statements of historical fact may be forward-looking statements. In some cases, forward-looking statements can be identified by the use of words such as “seek”, “expect”, “anticipate”, “budget”, “plan”, “estimate”, “continue”, “forecast”, “intend”, “believe”, “predict”, “potential”, “target”, “may”, “could”, “would”, “might”, “will” and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook.

Forward-looking statements in this release include, but are not limited to, statements and information regarding: the Company's production outlook for 2023, potential contract opportunities with new third-party oxide providers and the Company's plans for growth through exploration activities, acquisitions or otherwise. Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited to: the Company's ability to carry on exploration and development activities; the Company's ability to secure and to meet obligations under property and option agreements and other material agreements; the timely receipt of required approvals and permits; that there is no material adverse change affecting the Company or its properties; that contracted parties provide goods or services in a timely manner; that no unusual geological or technical problems occur; that plant and equipment function as anticipated and that there is no material adverse change in the price of silver, costs associated with production or recovery. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or industry results, to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct, and you are cautioned not to place undue reliance on forward-looking statements contained herein.

Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements contained in this release include, but are not limited to: risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations; results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; risks relating to possible variations in reserves, resources, grade, planned mining dilution and ore loss,

or recovery rates and changes in project parameters as plans continue to be refined; mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development; the potential for delays in exploration or development activities or the completion of feasibility studies; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; risks related to commodity price and foreign exchange rate fluctuations; the uncertainty of profitability based upon the cyclical nature of the industry in which the Company operates; risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental or local community approvals or in the completion of development or construction activities; risks related to environmental regulation and liability; political and regulatory risks associated with mining and exploration; risks related to the uncertain global economic environment; and other factors contained in the section entitled “Risk Factors” in the MD&A and the Company’s Management Discussion and Analysis dated March 17, 2023.

Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking statements, you are cautioned that this list is not exhaustive and there may be other factors that the Company has not identified. Furthermore, the Company undertakes no obligation to update or revise any forward-looking statements included in, this release if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures

Operating Cash Costs (“OCC”), All-in Sustaining Costs (“AISC”) and All-in Costs (“AIC”)

OCC, AISC and AIC are non-GAAP financial measures set out under a guidance note released by the World Gold Council in September 2013 and updated in November 2018. These measures are used by management to assess the Company’s performance and its expected future performance; however, these measures do not have any standardized meaning. As such, there are likely to be differences in the method of computation when compared to similar measures presented by other issuers. Accordingly, these measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

- (i) OCC includes total production cash costs incurred at the Company’s mining operations, which form the basis of the Company’s cash costs, less by-product revenues from gold sales.
- (ii) AISC on a by-product basis per ounce is a non-GAAP ratio calculated as AISC on a by-product basis divided by ounces of silver sold. AISC on a by-product basis is a non-GAAP

financial measure calculated as the aggregate of production costs as recorded in the consolidated statements of (loss) income, refining and transport costs, cash component of sustaining capital expenditures, lease payments related to sustaining assets, corporate general and administrative expenses and accretion expenses. When calculating AISC on a by-product basis, all revenue received from the sale of gold is treated as a reduction of costs incurred. The Company believes that AISC represents the total costs of producing silver from current operations and provides the Company and other stakeholders of the Company with additional information relating to the Company's operational performance and ability to generate cash flows.

(iii) AIC represents AISC plus non-sustaining exploration and evaluation costs.

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

OCC

The following table provides a reconciliation of OCC per silver ounce sold on a by-product basis to the Financials:

	Q1 2023	Q1 2022
Costs of sales, as reported	\$ 21,217	\$ 20,647
Total OCC before by-product credits	21,217	20,647
Less: by-product gold credits	(415)	(1,283)
Total OCC	\$ 20,802	\$ 19,364
Divided by silver ounces sold (k oz)	982	1,173
OCC per silver ounce sold, on a by-product basis	\$ 21.18	\$ 16.51

AISC

The following table provides a reconciliation of AISC per silver ounce on a by-product basis to the Financials:

	Q1 2023	Q1 2022
OCC, net of by-product credits	\$ 20,802	\$ 19,364
General and administrative expenses	2,455	2,872
Sustaining capital expenditures ⁽¹⁾	563	447
Lease payments	-	44
Accretion for reclamation provision	318	282
Less:		
Business development included in G&A	(173)	(307)

	Q1 2023	Q1 2022
Share-based compensation	(129)	(585)
AISC	\$ 23,836	\$ 22,117
Divided by silver ounces sold (k oz)	982	1,173
AISC per silver ounce sold, on a by-product basis	\$ 24.27	\$ 18.86

^{1.} Sustaining capital expenditures reflect costs necessary to maintain current production.

AIC

The following table provides a reconciliation of AIC per silver ounce on a by-product basis to the Financials:

	Q1 2023	Q1 2022
AISC	\$ 23,836	\$ 22,117
Non-sustaining exploration and evaluation costs ⁽¹⁾	448	911
AIC	\$ 24,284	\$ 23,028
Divided by silver ounces sold (k oz)	982	1,173
AIC per silver ounce sold, on a by-product basis	\$ 24.72	\$ 19.63

^{1.} Non-sustaining exploration and evaluation costs are related to growth projects outside Andean's current production profile.

EBITDA and Adjusted EBITDA

The Company has included EBITDA and adjusted EBITDA as a non-IFRS performance measure in this release. The Company excludes certain items from net income to provide a measure which allows the Company and investors to evaluate the results of the underlying core operations of the Company and its ability to generate cash flows. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following table provides a reconciliation of EBITDA and adjusted EBITDA to the Financials for their respective periods:

	Q1 2023	Q1 2022
Net income	\$ 219	\$ 2,274
Add:		
Income taxes	(557)	2,658
Finance costs	400	321
Depreciation and depletion	1,454	2,818
EBITDA	\$ 1,516	\$ 8,071
Add: Non-sustaining exploration and evaluation costs	448	911
Add: Corporate development	173	307
Add: Change in fair value of marketable securities ⁽¹⁾	(764)	(2,703)
Adjusted EBITDA	\$ 1,373	\$ 6,586

^{1.} These amounts refer to mark-to-market adjustments on securities held of Santacruz.

Free Cash Flow

The Company has included free cash flow as a non-IFRS performance measure in this release. The Company considers operating cash flow less capital expenditures to provide a measure which allows the Company and investors to evaluate the ability of the Company to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following table provides a reconciliation of free cash flow to the Financials for their respective periods:

		Q1 2023		Q1 2022
Net cash (used in) from operations	\$	(4,323)	\$	2,703
Less:				
Expenditures on property, plant and equipment		(563)		(447)
Lease payments		-		(44)
Free cash flow	\$	(4,886)	\$	2,212

Average Realized Gold and Silver Prices

The Company has included average realized prices as a non-IFRS performance measure in this release. The Company quantifies the average realized price as revenue per the Statement of Operations divided by ounces of gold or silver sold.

The following table provides a reconciliation of average realized silver and gold prices to the Financials for their respective periods:

		Q1 2023		Q1 2022
Silver revenue	\$	22,630	\$	28,605
Silver sold (k oz)		982		1,173
Average realized silver price	\$	23.04	\$	24.40

		Q1 2023		Q1 2022
Gold revenue	\$	415	\$	1,283
Gold sold (oz)		215		671
Average realized gold price	\$	1,930	\$	1,913