

Andean Precious Metals Reports First Quarter Results and Reiterates 2022 Guidance

Toronto, Ontario--(Newsfile Corp. - May 24, 2022) - Andean Precious Metals Corp. (TSXV: APM) (OTCQB: ANPMF) ("Andean" or the "Company") today reported its positive financial results for the first quarter ended March 31, 2022 ("Q1"). All currency amounts are expressed in U.S. dollars unless indicated otherwise.

Q1 2022 Highlights

- Well-positioned for growth with ending cash and cash equivalents balance of \$89.5 million and ending marketable securities balance of \$6.9 million with no debt;
- Production of 1.2 million silver equivalent ounces¹;
- Processing plant throughput of 0.4 million tonnes, on par with Q1 2021;
- Revenues of \$29.9 million from sales of 1.2 million silver equivalent ounces;
- Cost of sales of \$20.6 million and all-in sustaining costs ("AISC")² per silver ounce sold of \$18.86;
- Adjusted EBITDA² of \$5.4 million and net income of \$2.3 million;
- Positive free cash flow² of \$2.2 million and operating cash flow of \$2.7 million;
- Completed 1,419 metres of phase two drilling at the San Pablo gold exploration property, targeting recently identified porphyry intrusions.

"I am pleased by our solid execution on several fronts, including continued cash generation at San Bartolome, growth activities and the phase two drilling at our San Pablo gold exploration property where we recently intercepted the target porphyry system," said Simon Griffiths, President and CEO of Andean. "Our first quarter operational results were consistent with our annual plans, with expected increases to silver production included in our mine plan for the remaining quarters of the year. As a result, we reaffirm our production and cost guidance for 2022."

"We remain well-positioned for the future. Our Expansion Study progresses as does our screening of known oxide deposits in Bolivia as we look to extend the mine life of San Bartolomé. All the while, we continue to assess accretive M&A opportunities, both in Bolivia and nearby jurisdictions."

Operational and Financial Results

	Q1 2022	Q1 2021
Financial Performance³		
Revenue	\$ 29,888	\$ 38,347
Cost of sales	\$ 20,647	\$ 24,646
Income from mine operations	\$ 6,423	\$ 11,276
Net income	\$ 2,274	\$ (1,523)
Net cash from operating activities	\$ 2,703	\$ 11,252
Free cash flow ²	\$ 2,212	\$ 10,897
Adjusted EBITDA ²	\$ 5,368	\$ 11,073
Ending cash and cash equivalents	\$ 89,541	\$ 69,238
Capital expenditures	\$ 491	\$ 355
Cash operating costs (by-product) ²	\$ 16.51	\$ 15.90
All-in sustaining costs (by-product) ²	\$ 18.86	\$ 17.28

¹ Silver equivalent ounces include gold ounces and are converted to a silver equivalent based on a ratio of realized silver and gold prices during the periods discussed. Refer to the "Non-IFRS Measures" section of this release for details on realized silver and gold prices.

² Free cash flow, Adjusted EBITDA, Cash operating costs ("COC") and AISC are measures of financial performance with no prescribed definition under IFRS. Refer to the "Non-IFRS Measures" section of this release for further details.

³ Figures in this table are presented in thousands except for cash operating costs and AISC.

Andean sold 1.2 million silver equivalent ounces at an average realized price of \$24.40 per silver ounce, for revenue of \$29.9 million in Q1 2022. This compares to 1.5 million silver equivalent ounces sold at an average realized price of \$25.57 per silver ounce, for revenue of \$38.3 million in Q1 2021.

Cost of sales, which comprise the full cost of operations excluding depreciation and depletion, were \$20.6 million during the quarter, compared to \$24.6 million in Q1 2021. The decrease resulted from a \$2.9 million decrease in direct costs and a \$1.1 million decrease in mining royalty taxes.

General and administrative expenses for the quarter decreased to \$2.9 million from \$5.7 million in Q1 2021. The decrease was primarily driven by one-time transaction costs of \$3.5 million incurred in 2021 related to the Company's public listing in March 2021.

Net income for the quarter was \$2.3 million, or \$0.01 per share, compared to a net loss of \$1.5 million, or \$0.01 per share, in Q1 2021. The increase was primarily attributable to a \$3.0 million decrease in income taxes, a \$2.7 million gain on marketable

securities, and a lower income from operations of \$2.5 million.

	Q1 2022	Q1 2021
Operational Performance		
Tonnes mined ¹ (k dmt)	478	414
Average ore mined grade (Ag g/t)	96	102
Tonnes purchased ² (k dmt)	117	130
Average purchased ore grade (Ag g/t)	212	192
Tonnes milled ³ (k dmt)	406	420
Daily average throughput (dmt)	4,608	4,941
Average head grade (Ag g/t)	117	118
Silver recovery (%)	78	86
Silver production (k ozs)	1,151	1,385
Gold production (ozs)	898	1,504
Silver equivalent production ⁴ (k ozs)	1,221	1,485
Silver sales (k ozs)	1,173	1,417
Gold sales (ozs)	671	1,251
Silver equivalent sales ⁴ (k ozs)	1,225	1,500

¹ Tonnes mined includes ore mined from the Company's permitted areas, including Santa Rita, Huacajichi, Antuco, El Asiento, and Monserrat during 2021 and 2020. Tonnes mined is reported as run-of-mine ("ROM").

² Tonnes purchased includes oxidized material purchased from local mining cooperatives as well as through the Company's contract with RALP.

³ Tonnes milled is 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 realized gold and silver prices during the referenced period.

Silver equivalent production by source (k ozs)	Q2 2022	Q2 2021
Pallacos	512	603
Mine reclamation stockpiles	90	215
Cachi Laguna	173	104
Oxide purchases	446	563
Total	1,221	1,485

2022 Outlook and Guidance

For the balance of the year, Andean will continue to process ore from its surface deposits (termed "Pallacos") at San Bartolomé and reclaim silver bearing mine waste stockpiles at Tatasi-Portugalete, driving an increase in quarterly silver production beginning in March 2022. Andean will also continue to purchase mineralized material from its community mining partners.

Andean released a Mineral Resource Estimate ("MRE") prepared by SRK Consulting (U.S.) Ltd. ("SRK") for San Bartolomé, effective December 31, 2021. The MRE includes measured and indicated resource estimates of 16.2 million ounces of silver and 11.9 thousand tonnes of tin contained in its fines disposal facility ("FDF"), as well as an updated Pallacos resource. Metallurgical studies and economic estimates continue to progress on the Company's stockpile of material in its FDF.

Drilling completed at the Company's dry-stack tailings facility ("DSF") during the quarter to assess potential for mineral resources. Initial drill results on 39 of 48 drill holes at the DSF assayed 42.7 g/t silver and 0.16% tin. These initial results from this drill program confirm the potential for processing both stockpiles and tailings.

Andean's expanded drill program at its San Pablo gold exploration program completed 2,532 metres as of the date of this news release. The phase two drilling program targets altered porphyry intrusions as the source of gold mineralization hosted in sedimentary rocks. Recent core logging confirms the Company's geologic model. Assays are expected to be received in June 2022.

Andean continues to expect that production for fiscal 2022 will result in silver equivalent production of 5.3 to 5.8 million ounces at an AISC (by-product) of \$17.25 to \$18.75 per silver ounce sold. The following table sets out Andean's first quarter results against its full year 2022 production and AISC guidance:

	YTD 2022 Actual	2022 Guidance ⁽¹⁾
Silver equivalent production	1.2M oz	5.3M to 5.8M oz
AISC (by-product)	\$18.86/Ag oz	\$17.25 to \$18.75/Ag oz

¹ Andean's commodity price assumptions supporting this estimate are \$23.00/ounce silver and \$1,750/ounce gold.

Notice of Conference Call and Webcast

Management of Andean will host a conference call today, May 24, 2022, at 8:30 am ET to discuss its first quarter financial

results. All interested parties may join the conference call by dialing 1-800-319-4610 in Canada and the United States, or 1-604-638-5340 internationally, approximately 15 minutes prior to the call to secure a line.

A live audio webcast of the call will be available at <https://bit.ly/2022Q1APM>. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. An archived replay of the webcast will be available for 90 days.

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 Canadian National Instrument 43-101, Registered Member, Society for Mining, Metallurgy and Exploration (SME), Fellow, Australasian Institute of Mining and Metallurgy (AusIMM).

About Andean Precious Metals Corp.

Andean Precious Metals is a Canadian, growth-focused silver producer that owns and operates the San Bartolomé project located in the department of Potosí, Bolivia. San Bartolomé has been operating consistently since 2008, producing an average of over five million ounces of silver per year. The Company is also exploring its wholly-owned San Pablo and Rio Blanco gold projects and seeking other accretive opportunities in Bolivia and Latin America. Andean Precious Metals is committed to fostering safe, sustainable and responsible operations. For more information, please visit www.andeanpm.com.

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Caution Regarding Forward-Looking Statements

This press release contains statements which constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"), including statements regarding the plans, intentions, beliefs and current expectations of Andean with respect to future business activities and operating performance. Forward-looking statements are often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions. Forward-looking statements in this news release include statements made under the heading Andean's 2022 Outlook and Guidance, regarding Andean's plans to continue to process ore from its surface deposits at San Bartolomé, begin reclaiming silver bearing mine waste stockpiles at Tatasi-Portugalete and purchase ore from its community mining partners, Andean's expectation that quarterly silver production will be higher for the balance of the year and the statement regarding Andean's position for the future, Andean's expectation that the assay results will be received in June 2022 and Andean's continued expectation regarding its silver production and AISC for fiscal 2022.

Investors are cautioned that forward-looking statements are not based on historical facts but instead reflect Andean's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Andean believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed thereon, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of Andean. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws and regulations both locally and in foreign jurisdictions; compliance with extensive government regulation; the risks and uncertainties associated with foreign markets. These forward-looking statements may be affected by risks and uncertainties in the business of Andean and general market conditions, including COVID-19 and the ongoing conflict between Russia and Ukraine and any actions taken by other countries in response thereto, such as sanctions or export controls.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Andean has attempted to identify important risks, uncertainties and factors which could cause

actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. Andean does not intend, and does not assume any obligation, to update the forward-looking statements except as otherwise required by applicable law.

Non-IFRS Measures

COC and AISC

COC and AISC are non-IFRS performance measures. COC include 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. AISC includes COC plus sustaining capital expenditures, general and administrative expenses, sustaining exploration and evaluation costs and reclamation cost accretion. Reclamation and closure costs represent the gradual unwinding of the discounted liability to rehabilitate the area around San Bartolomé at the end of its mine life. The Company reports these measures on a silver ounce sold basis. 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. 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.

The following table provides a reconciliation of the cash operating cost per silver ounce sold on a by-product basis:

	Q1 2022	Q1 2021
Costs of sales, as reported	\$ 20,647	\$ 24,646
Total cash operating cost before by-product credits	20,647	24,646
Less: by-product gold credits	(1,283)	(2,116)
Total cash operating costs	19,364	22,530
Divided by silver ounces sold (k ozs)	1,173	1,417
COC per silver ounce sold, on a by-product basis	\$ 16.51	\$ 15.90

The following table provides a reconciliation of the all-in sustaining cost per silver ounce on a by-product basis:

	Q1 2022	Q1 2021
Cash costs, net of by-product credits	\$ 19,364	\$ 22,530
General and administrative expenses ¹	1,980	1,480
Sustaining capital expenditures ²	447	248
Lease payments	44	107
Accretion for decommissioning liability	282	64
Sustaining exploration and evaluation ²	-	64
All-in sustaining costs	22,117	24,493
Divided by silver ounces sold (k ozs)	1,173	1,417
AISC per silver ounce sold, on a by-product basis	\$ 18.86	\$ 17.28

¹ For the quarter ended March 31, 2022, and March 31, 2021, general and administrative expenses exclude RTO Transaction costs of \$nil and \$3,451, respectively; corporate development costs of \$307 and \$nil, respectively; and non-cash share-based compensation costs of \$585 and \$793, respectively.

² Sustaining capital expenditures and exploration and evaluation reflect costs necessary to maintain current production.

Adjusted EBITDA

The Company has included adjusted EBITDA as a non-IFRS performance measure. 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. As this measure does not have any standardized meaning, there are likely to be differences in the method of computation when compared to similar measures presented by other issuers. 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 adjusted EBITDA:

	Q1 2022	Q1 2021
Net income (loss)	\$ 2,274	\$ (1,523)
Add:		
Income taxes	2,658	5,663
Finance costs	321	281
Depreciation and depletion	2,818	2,425
EBITDA	\$ 8,071	\$ 6,846

Add: RTO Transaction costs	Q1 2022	Q1 2021
Add: Change in fair value of marketable securities ¹	(2,703)	866
Less: Santacruz Loan recovery	-	(90)
Adjusted EBITDA	\$ 5,368	\$ 11,037

¹ These amounts refer to mark-to-market adjustments on securities held of Santacruz Silver.

Free cash flow

The Company has included free cash flow as a non-IFRS performance measure. The Company considers operating cash flow plus capital expenditures to provide a measure which allows the Company and investors to evaluate the ability of the Company to generate cash flows. As this measure does not have any standardized meaning, there are likely to be differences in the method of computation when compared to similar measures presented by other issuers. 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:

	Q1 2022	Q1 2021
Operating cash flows	\$ 2,703	\$ 11,252
Less:		
Expenditures on property, plant and equipment	(447)	(248)
Lease payments	(44)	(107)
Free cash flow	\$ 2,212	\$ 10,897

Realized Gold and Silver Prices

The Company has included realized prices as a non-IFRS performance measure. The Company quantifies average realized price as revenue per the Statement of Operations divided by ounces of silver or gold sold. As this measure does not have any standardized meaning, there are likely to be differences in the method of computation when compared to similar measures presented by other issuers. 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 realized prices:

	Q1 2022	Q1 2021
Silver revenue	\$ 28,605	\$ 21,299
Silver oz sold (k ozs)	1,173	1,417
Average realized silver price	\$ 24.40	\$ 25.57

	Q1 2022	Q1 2021
Gold revenue	\$ 1,283	\$ 3,347
Gold oz sold (ozs)	671	1,251
Average realized gold price	\$ 1,913	\$ 1,691



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