MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

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(in thousands of US dollars, unless otherwise noted)

1. INTRODUCTION

This management's discussion and analysis ("MD&A"), prepared as of March 17, 2023, relates to the financial condition and results of operations of Andean Precious Metals Corp. ("Andean" or the "Company") together with its wholly owned subsidiaries, as at December 31, 2022 and for the year then ended, and is intended to supplement and complement Andean Precious Metals Corp's audited annual consolidated financial statements for the year ended December 31, 2022 and the notes thereto (the "financial statements"). The financial statements and MD&A are presented in United States dollars, unless otherwise stated. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This discussion addresses matters the Company considers important for an understanding of the Company financial condition and results of operations as at and for the year ended December 31, 2022, as well as the Company's 2023 outlook.

Readers are cautioned that the MD&A contains forward-looking statements about expected future events and financial and operating performance of the Company, and that actual events may vary from management's expectations. Readers are encouraged to read the section "Forward Looking Statement" included in this MD&A and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2022 which are available on SEDAR at www.sedar.com and on the Company's website at www.andeanpm.com.

In this MD&A, unless otherwise noted, "Au" represents gold; "Ag" represents silver; "oz" represents troy ounce; "g/t" represents grams per metric tonne; "ft." represents feet; "m" represents meter; "sq." represents square, and C$ refers to Canadian dollars.

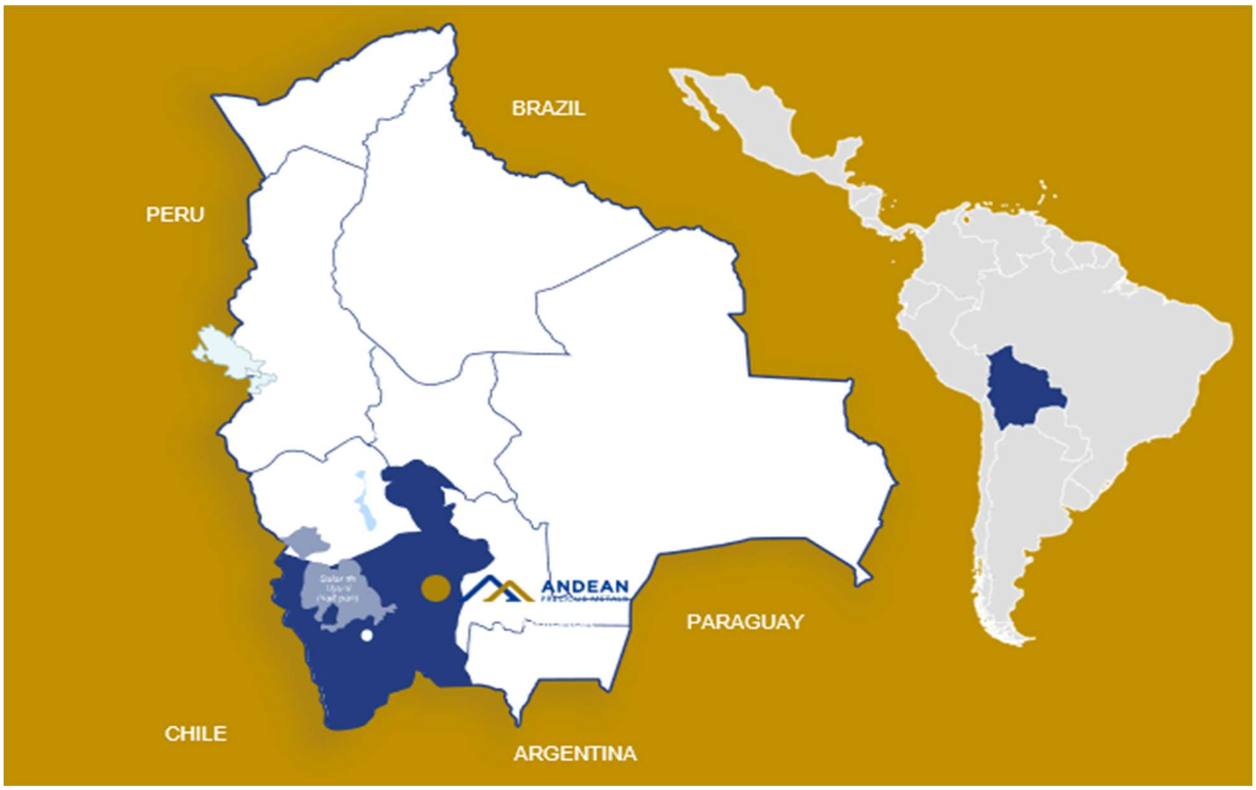
The word "we" refers to Andean Precious Metals Corp and/or one or more or all its subsidiaries, as it may apply. Reference to "industry", means the precious metals mining industry.

As at December 31, 2022, the Company's significant subsidiaries are as follows:

Name	Property & Location	December 31, 2022	December 31, 2021
Empresa Minera Manquiri S.A.	San Bartolomé, Bolivia	100%	100%
Minera Pukaraju S.A. ("Pukaraju")	San Pablo, Bolivia	100%	100%
AG Mining Investments AB	Stockholm, Sweden	100%	100%
1295229 B.C Limited	Vancouver, Canada	100%	100%

2. BUSINESS DESCRIPTION

Andean is a silver producer and explorer with operations located in Bolivia. Through its wholly owned subsidiary, Empresa Minera Manquiri S.A. ("Manquiri"), Andean produces silver primarily through contracts with the state-owned mining company, Corporación Minera de Bolivia ("COMIBOL"). Andean also purchases mineralized materials from third-party mining cooperatives and privately held mining companies. Material processing takes place at the Company's San Bartolomé plant near Potosi, which is the only large-scale commercial oxide plant in Bolivia. The San Bartolomé plant produces silver doré bars and has a design throughput of 1.8 million tonnes per year. Andean also holds a portfolio of active exploration properties also located in Bolivia.



Andean's vision and strategic focus is to expand its precious metals production safely, sustainably and responsibly through the acquisition of complementary projects in Bolivia and the wider Americas.

The profitability and operating cash flow of the Company are affected by various factors, including the amount of gold and silver produced, the market prices of gold and silver, operating costs, interest rates, regulatory and environmental compliance, the level of exploration activity and capital expenditures, general and administrative costs, and other discretionary costs and activities. The Company is also exposed to fluctuations in currency exchange rates, political risks, and varying levels of taxation that can impact profitability and cash flow. Many of these factors have been or may be influenced by the continued economic and business uncertainties caused by the COVID- 19 pandemic and global sanctions. The Company seeks to manage the risks associated with its business operations; however, many of the factors affecting these risks are beyond the Company's control.

1254688 B.C. Ltd. ("125 BC") was incorporated on June 25, 2020 under the laws of British Columbia, Canada. Effective September 30, 2020, 125 BC entered into an arrangement and exchange agreement (the "Agreement") with Ag-Mining Investments AB ("AG Mining"). AG Mining was incorporated on November 30, 2017 under the laws of Sweden, issuing 1,000 shares for 50,000 SEK ($6). Under the

Agreement, the shareholders of AG Mining became shareholders of 125 BC by exchanging 100% of their outstanding common shares of AG Mining for common shares of 125 BC, proportionally based on each shareholder's respective interest of AG Mining. Upon the completion of the Agreement, AG Mining became a wholly owned subsidiary of 125 BC. The transaction was accounted for as a capital transaction using the continuity of interest method.

On March 18, 2021, 125 BC completed its amalgamation with 1271860 B.C. Ltd., a wholly owned subsidiary of Buckhaven Capital Corp. ("Buckhaven"); the amalgamated company became 1295229 B.C. LTD ("129 BC"). 125 BC acquired Buckhaven by way of reverse takeover (the "RTO transaction") in accordance with the policies of the TSX-V, resulting in 129 BC as the amalgamated entity to continue to carry on business. Buckhaven was renamed Andean Precious Metals Corp. (the "Company") and commenced trading on the TSX-V on March 29, 2021 under the symbol APM. Andean's common shares (the "shares") also trade on the OTCQB Venture Market ("OTCQB") under the symbol ANPMF.

3. FOURTH QUARTER AND FULL YEAR 2022 HIGHLIGHTS

Operational Highlights

- **Production within the full year 2022 guidance ranges**: Silver equivalent ounces produced during Q4 2022 were 1.2 million silver equivalent ounces bringing the full year 2022 production total to 5.0 million silver equivalent ounces,
- **Increased average head grade:** Material mined and purchased head grade increased from 92 g/t and 201 g/t in Q4 2021 and full year 2021 to 96 g/t and 241 g/t in Q4 and full year 2022, respectively.
- **Processing plant throughput decreased**: Throughput material processed of 0.4 million tonnes during the Q4 2022 was comparable to tonnes processed in Q4 2021. Throughput material processed decreased from 1.7 million tonnes full year 2021 to 1.6 million tonnes in 2022.
- **Metallurgical and technical investigations ongoing:** Mill plant recoveries of 77% and 78% for the Q4 2022 and full year 2022, respectively compared to 83% and 84% for Q4 2021 and full year 2021. External technical consultants are being engaged to carry out further detailed metallurgical and technical investigations and to provide recommendations. Silver recoveries that improved in Q4 2022 are expected to continue to improve during 2023 as the Company continue to implement recommendations from the completed metallurgical studies.

Financial Highlights

- **Revenue:** The Company recorded revenue of $25.7 million for Q4 2022. A decrease of 18% or $5.4 million when compared with Q4 2021. Revenue for the full year 2022 was $108.1 million. A decrease of 25% or $36.1 million when compared to full year 2021.
- **Production cost of sales:** Production cost of sales increased by 7% or $1.5 million in Q4 2022, compared to 2021 primarily due to high costs of consumables used in processing. Production cost of sales decreased by 4% or $3.9 million for the full year 2022 compared to 2021 due to lower silver equivalent ounces produced.
- **Income from mine operations:** The Company recorded income from mine operations of $9.7 million for the year ended December 31, 2022, compared to $38.8 million for the year ended December 31, 2021.
- **Net (loss) income:** The Company reported net loss of $3.3 million, or $0.02 per basic and diluted share for Q4 2022 compared to net income of $0.1 million or $0.00 per basic and diluted share for Q4 2021. For full year ended 2022, Andean reported net loss of $10.1 million or $0.06 per basic and diluted shares compared with $4.3 million or $0.03 per basic and diluted share.
- **Decreased net cash flow from operating activities**: Net cash flow used in operating activities was $2.7 million for the full year 2022 compared with net cashflow provided by operating activities of $33.6 million, mainly due to the decrease in operating earnings as described above and increase in inventories level.
- **All-in sustaining costs ("AISC") (2) per silver ounce sold:** AISC increased to $22.22 and $21.06 for Q4 2022 and full year 2022, respectively compared to $18.47 and $18.17 for Q4 2021 and full

year 2021. The increase was largely due to global inflationary effects on cost and lower production relative to the same periods of last year.

- **Earnings before interest, taxes, depreciation and amortization ("EBITDA")(2):** EBITDA decreased by $7.3 million and $33.2 million for Q4 2022 and full year 2022, respectively compared to the same periods of 2021. The decrease was primarily due to the decrease in sales volumes and average realized price of silver per ounce sold.
- **Adjusted EBITDA** (2): Adjusted EBITDA decreased by $7.4 million and $35.0 million for Q4 2022 and full year 2022, respectively compared to the same periods of 2021. The decrease was primarily due to the decrease in sales volumes and average realized price of silver per ounce sold.

Financial Liquidity

- **Balance sheet flexibility support ongoing strategic growth**. The Company ended the year with total liquidity of approximately $90.2million, including $80.7 million of cash, $5.3 million of marketable securities, and no debt. This compared with year ended 2021 of $91.5 million of liquid capital, including $87.3 million of cash, marketable securities of $4.2 million, and no debt.
- **Return of capital:** On October 4, 2022, the Company received TSX-V approval to initiate a normal course issuer bid ("NCIB") to repurchase up to 5% of the total number of shares outstanding as at September 15, 2022. As at December 31, 2022, the Company had repurchased 322,000 shares for $0.2 million (C$0.3 million).

Exploration Projects

- Andean continues to evaluate processing options to recover silver and tin at its fines disposal facility ("FDF") and dry stack tailings ("DSF"). Testing and analysis are ongoing to determine the economic feasibility of the project. A decision whether to mine the FDF as a standalone project is expected in 2023.
- $3.6 million was spent on exploration activities during 2022 compared with $3.9 million in 2021. During Q3 2022, Andean acquired 200 hectares of additional exploration rights on the Jiwaki II area, adjacent to the Company's San Pablo gold exploration property. In addition to the ground geophysical surveys, exploration work completed at San Pablo in 2022 consisted of drilling 3,850.5 meters of core in 12 holes. In 2022, 5,588.7 meters of core were completed in 10 drill holes. During the Q4 2022, Andean paused further work at San Pablo properties, to focus on other strategic utilization of capital.

Health, Safety and ESG

- At the end of 2022, the Company achieved a 12-month moving average for (i) Lost Time Injury ("LTI") Frequency Rate of 0.16 per 200,000 working hours; and (ii) Total Recordable Incident Frequency Rate of 0.95 per 200,000 working hours. Each of these frequency rates were lower than industry averages.
- While the Company's paramount objective is to ensure the health and safety of its employees and contractors at its locations, on May 4, 2022, a fatality occurred at San Bartolomé plant which was Andean's first LTI in over three years. An investigation was conducted, and corrective actions were implemented.
- There were no reportable environmental incidents during 2022. The Company is progressing with the implementation of international ESG standards in particular with respect to responsible mining and tailings standards.

Corporate Update

- During Q4 2022 the Company relocated the majority of its corporate function to its office in Monterrey, Mexico and made changes to the senior management team. Simon Griffiths, President and CEO, was replaced by Alberto Morales, Founder and Executive Chairman of Andean. Juan Carlos Sandoval assumed the position of CFO from Jeff Chan and Segun Odunuga assumed the position of Executive Vice President, Finance.

- The Company's Board of Directors appointed Yohan Bouchard as an independent director, effective December 1, 2022. Grant Angwin was appointed as the first Lead Independent Director of the Company.

(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-GAAP Financial Measures, Ratios and Supplementary Financial Measures" section of the MD&A for further detail on.
(2) AISC, EBITDA and Adjusted EBITDA 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 the MD&A for further detail, including a reconciliation of these metrics to the financial statements.

4. 2023 OUTLOOK AND GUIDANCE

Andean continues to focus on increasing the profitability of its business by optimizing existing operations at San Bartolomé, which is targeting to maintain consistent levels of silver production as highlighted in the 2023 outlook and guidance below.

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 conflict in Ukraine, social unrest and the COVID-19 pandemic having no material impact on the Company's production and costs. Actual results may vary materially from management's expectations. See the Forward Looking Statements" and "Risks Factors" sections later in this MD&A for further information.

During 2023, Andean will continue to process material from its surface deposits (termed "Pallacos") at San Bartolomé. Andean will also continue to purchase material from its community mining partners. At Cachi Laguna, remaining tonnes under Andean's purchase contract with RALP Compañia Minera S.R.L. ("RALP") will be fully depleted in during 2023 as planned.

At San Bartolomé, Andean is reviewing development and mining opportunities at its tailings facilities , which contain silver and tin material. Andean announced an initial inferred mineral resource estimate for the tailing facilities in November 2022, and currently is conducting metallurgy tests to assess potential silver extraction and financial feasibility. The result of this work is expected to be released as they become available in 2023.

San Bartolomé is the only large-scale commercial oxide processing plant in Bolivia. Andean continues to leverage this position to expand its material sourcing business and is also assessing acquisition opportunities in Bolivia and the wider Americas.

Highlights of the 2023 outlook include:

- **Maintaining consistent silver production levels:** 2023 silver equivalent ounces production is expected to be between 4.8 million and 5.2 million Ag Eq ounces based on current mining and materials purchasing plans. Based on our plan, production is expected to increase in the second half of the year, representing approximately 54% of annual production.
- **Expects to maintain the same level of production cost of sales:** On a per ounce basis, production costs of sales is expected to be between \$17.90 and \$18.50 per silver ounces for 2023 compared to \$18.22 per silver ounces in 2022.
- **Improved AISC(2) per ounce:** AISC(2) per ounce of silver sold is expected to range between \$19.50 and \$20.30 in 2023, which is lower than actual for 2022 of \$21.06. This reflects the benefits of corporate reorganization announced during Q4 2022. AISC(2) are expected to trend lower in the second half of the year, consistent with the stronger production profile.
- **Higher capital expenditures:** Capital expenditures are expected to be in the range of \$8.0 million to \$10.0 million, due primarily to the spending planned on the FDF/DSF projects.
- **Lower corporate general and administrative expenses (excluding corporate development expenses):** Corporate overhead is expected to be between \$5.9 million and \$6.2 million in 2023 compared to 2022 spending of \$8.0 million.

(in thousands of US dollars, unless otherwise noted)

The following table sets out Andean's production and AISC guidance for 2023 along with its results for 2022:

	2023 Guidance(1)	2022 Actual
Silver equivalent production	**4.8 million to 5.2 million oz**	5.0 million oz
AISC (by-product)	**$19.50 to $20.30/Ag eq. oz**	$21.06/ Ag eq. oz
Total Capital Expenditures	**$8 million to $10 million**	$3.0 million

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

5. FINANCIAL AND OPERATIONAL RESULTS

	Q4 2022	Q4 2021	FY 2022	FY 2021
Operational Performance				
Mined material (1) (k dmt)	**506**	401	**1,961**	1,768
Average material mined grade (Ag g/t)	**93**	74	**96**	92
Purchased material (2) (k dmt)	**112**	151	**459**	546
Average purchased material grade (Ag g/t)	**241**	205	**226**	201
Material milled (k dmt)	**396**	424	**1,613**	1,715
Daily average throughput (dmt)	**4,623**	4,840	**4,715**	4,942
Average head grade (Ag g/t)	**121**	112	**120**	115
Silver recovery (%)	**78**	83	**77**	84
Silver production (k oz)	**1,233**	1,271	**4,788**	5,358
Gold production (oz)	**184**	1,392	**2,560**	6,075
Silver equivalent production(3) (k oz)	**1,250**	1,379	**5,001**	5,791
Silver sales (k oz)	**1,201**	1,240	**4,769**	5,366
Gold sales (oz)	**120**	1,313	**2,341**	5,888
Silver equivalent sales(3) (k oz)	**1,213**	1,341	**4,965**	5,783

Silver equivalent production breakdown by source (k oz)				
Pallacos	**397**	464	**1,632**	2,033
Mine reclamation stockpiles	**180**	51	**742**	788
Cachi Laguna	**157**	166	**734**	603
Oxide purchases	**516**	698	**1,893**	2,367
Total	**1,250**	1,379	**5,001**	5,791

	Q4 2022	Q4 2021	FY 2022	FY 2021
Financial Performance				
Revenue	**$ 25,666**	$ 31,131	**$ 108,049**	$ 144,207
Cost of sales	**$ 22,902**	$ 21,382	**$ 91,133**	$ 95,013
Income from mine operations	**$ 1,098**	$ 6,587	**$ 9,704**	$ 38,806
Net (loss) income	**$ (3,341)**	$ 74	**$ (10,091)**	$ 4,268
Net (loss) income per share				
-Basic	**$ (0.02)**	$ 0.00	**$ (0.06)**	$ 0.03
-Diluted	**$ (0.02)**	$ 0.00	**$ (0.06)**	$ 0.03
Net cash from (used in) operating activities	**$ (2,985)**	$ 5,569	**$ (2,740)**	$ 33,615
Free cash flow(4)	**$ (3,381)**	$ 4,772	**$ (5,094)**	$ 30,009
Adjusted EBITDA(4)	**$ (956)**	$ 6,445	**$ 3,539**	$ 38,512
Ending cash and cash equivalents	**$ 80,729**	$ 87,276	**$ 80,729**	$ 87,276
Capital expenditures	**$ 246**	$ 797	**$ 2,204**	$ 3,606
Operating Cash costs (by-product)(4)	**$ 18.89**	$ 15.34	**$ 18.22**	$ 15.77
All-in sustaining costs (by-product)(4)	**$ 22.22**	$ 18.47	**$ 21.06**	$ 18.17

(1) Mined ore includes material mined from the Company's permitted areas, including Santa Rita, Huacajchi, Antuco, El Asiento, and Monserrat during 2022 and 2021. Mined ore is reported as ROM.
(2) Purchased material includes oxidized material purchased from local mining cooperatives as well as through the Company's contract with RALP.
(3) 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. Refer to the "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" section of the MD&A for further detail.
(4) FCF, AISC, EBITDA and Adjusted EBITDA 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 the MD&A for further detail, including a reconciliation of these metrics to the financial statements.

6. SAN BARTOLOMÉ OPERATING RESULTS

San Bartolomé is located 5 km outside of the city of Potosí, Bolivia and accessed by paved roads. Andean's operations, including its processing plant with a design capacity of 1.8 million tonnes per annum, encompass an area of over 1,800 hectares.

Andean extracts material in partnership with the state-owned mining company, COMIBOL. Pursuant to a production agreement, the Company currently pays production royalties to COMIBOL in return for the rights to mine, transport and process mineralized pallacos from the Santa Rita, Huacajchi and Antuco sectors. Production from the Monserrat area, approximately 390 km south of San Bartolomé, was also previously consolidated under Manquiri's production contract with COMIBOL. In early 2021, the Company completed negotiations with the community, near the Monserrat Area, and entered a fixed rate production contract, replacing the previous agreements with COMIBOL.

At Cachi Laguna, Andean has a contract with RALP, a privately held Bolivian company, to purchase and transport a fixed number of tonnes of gold and silver bearing material to the San Bartolomé plant for processing. The underlying mineral rights of Cachi Laguna are held by RALP through contracts with COMIBOL. This production material is expected to be fully depleted during Q2 2023 and Andean is in discussions with RALP to pursue an exploration campaign within the Cachi Laguna area.

Andean also maintains various agreements to purchase oxidized, precious metal-bearing material from local miners based on market rates for processing at the San Bartolomé plant. Additional material purchase opportunities in Bolivia are continually being evaluated by Andean's dedicated material purchasing team.

During Q3 2022, Andean negotiated a production contract with a local mining cooperative for over 200,000 tonnes of material from the La Bolsa area, directly adjacent to the Pallacos. The contract, which saw production from La Bolsa commence in Q4 2022, specifies a mining cost per tonne.

Fourth Quarter 2022 compared to Fourth Quarter 2021

During the quarter ended December 31, 2022, Andean mined 0.5 million tonnes with an average silver grade of 93 g/t compared with 0.4 million tonnes mined with an average silver grade of 74 g/t in the same period of 2021. The increase was due to an increase in the volume of tonnage mined at Cachi Laguna. Material purchased during Q4 2022 was 0.1 million tonnes with an average silver grade of 241 g/t, compared with 0.2 million tonnes purchased with an average silver grade of 205 g/t during the quarter ended December 31, 2021. The reduced tonnage relative to last year was due to road blockage by the communities which prevented delivery of the oxidized materials from the local miners. Mined and purchased tonnes are reported as ROM.

San Bartolomé plant throughput was 0.4 million tonnes during the quarter ended December 31, 2022 similar to the tonnes processed during the same period of 2021. Average tonnes milled per calendar day decreased from 4,840 tonnes during the Q4 2021 to 4,623 tonnes during Q4-2022 was primarily due to high volume of waste material mined. Milled tonnes are reported as +8 mesh. Undersized mined (-8 mesh) pallaco material is pumped to the FDF in the initial stages of processing and not reported as part of Andean's milled tonnes.

Silver ounces equivalent production was 1.3 million ounces in Q4 2022 compared to 1.4 million ounces in Q4 2021. The decrease was due to lower throughput and recoveries. During the Q4 2022, the average silver head grade realized was 121 g/t compared with 112 g/t during the comparable period in 2021. The higher head grade realized in 2022 was a result of processing higher grade material from mined and purchased sources during 2022 as compared to 2021. During Q4 2022, higher grade material was mined from Cachi Laguna averaging 411 g/t and from purchased materials from Rurales Oxides, around the Potosí area, averaging 159 g/t. Silver recoveries reported were 78% during the quarter ended December 31, 2022, compared to 83% during the quarter ended December 31, 2021. The lower recovery was primarily due to metallurgical challenges with some of the pallacos but offset by the new higher recovery from La Bolsa material.

Year ended December 31, 2022 compared to 2021

During 2022, mining activities were carried out in the Santa Rita and Antuco pallacos areas and Cachi Laguna. Mining ceased at the Huacajchi pallacos area during 2022. During the year ended December 31, 2022, a total of 2.0 million tonnes of material were mined with an average silver grade of 96 g/t compared with 1.8 million tonnes mined with an average silver grade of 96 g/t during 2021. The increase tonnes mined was due to additional oxide materials mined at Cachi Laguna. Oxide material purchased was 0.5 million tonnes with an average silver grade of 226 g/t comparable to 0.5 million tonnes purchased with an average silver grade of 201 g/t during the year ended December 31, 2021.

Plant mill throughput was 1.6 million tonnes during the year ended December 31, 2022 compared with 1.7 million tonnes during the year ended December 31, 2021. The lower tonnage processed relative to last year was due to decrease in the amount of pallacos mined.

During the year 2022, silver ounces equivalent production was 5.0 million ounces compared to 5.8 million ounces in 2021. The decrease was due to lower throughput and recoveries. Average daily throughput was 4,715 tonnes in full year 2022 compared with 4,840 tonnes for the year ended December 31, 2021. The decrease was due to lower material feeds from pallacos. Silver recoveries reported were 77% during the year ended December 31, 2022 compared to 84% during the year ended December 31, 2021. Changes in recovery were driven primarily by metallurgical challenges experienced late in Q1 2022 and continued into Q2 2022. Metallurgical studies were carried which resulted in recoveries to improved to 78% averaging during Q4 2022. The Company has engaged external technical consultants to further perform in-depth technical studies.

During the year ended December 31, 2022, the average silver head grade realized was 120 g/t compared with 115 g/t during the comparable period in 2021. The higher head grade realized in 2022 was a result of processing higher grade materials from mined and purchased material during 2022 as compared to 2021. The high-grade oxide materials purchased from La Bolsa and mined ore from Cachi Laguna impacted the average head grade.

Effective December 31, 2021, Andean released an updated mineral resource estimate ("MRE"), incorporating silver and tin resources which included the Company's FDF material, as well as an updated resource for the pallacos. The new MRE was disclosed in a March 2022, NI 43-101 technical report (the "San Bartolomé Technical Report") filed on www.sedar.com (prepared by qualified persons, M. Hastings, G. Ortiz, S. Perkins and D. Birak). The measured and indicated resources at Tatasi-Portugalete was unchanged from the resource estimate completed in 2020. At the FDF, the qualified persons estimated measured and indicated resources of 10.15 million tonnes grading 49 g/t silver and 0.12% tin. In addition, inferred mineral resources were 1.5 M tonnes grading 48.4 g/t silver and 0.09% tin. The Company is considering a combined FDF/DSF project to recover both silver and tin and expects to release results on its DSF drilling campaign during 2023.

7. EXPLORATION ACTIVITIES

During 2022, the Company performed exploration drilling on two exploration projects in Bolivia. The priority exploration target areas are at San Pablo where porphyry style mineralisation was targeted.

San Pablo and Jiwaki II Exploration Projects (100% owned)

The San Pablo Exploration Project, located in the Province of Antonio Quijarro, Department of Potosí, currently comprises 850 hectares. San Pablo is located approximately 138 km southwest of the San Bartolomé operations, in the southern part of the prolific tin-silver and polymetallic belt that hosts several of Bolivia's largest deposits. Gold mineralization at San Pablo is hosted in diamictites (pebble sandstones of glacio-marine origin) of the Silurian-aged Cancañiri Formation over a large area measuring approximately 2.5 km by 1.5 km (EW by NS). Gold mineralization is related to sulphides in steeply-dipping, narrow, sheeted veins and veinlets, as well as wider discrete veins and sulphide-cemented breccias. Veining is related to pervasive silica-sericite alteration, which overprints secondary biotite alteration, exposed in outcrop and in drill core. This alteration is typical of porphyry environments. The dominant sulphides are pyrrhotite, arsenopyrite and bismuthinite, which, together with the geochemical association of gold with arsenic, bismuth and antimony, are characteristic of reduced, intrusion-related gold deposits.

In 2021, the Company completed 3,580.5 meters of core drilling in 12 holes at San Pablo. In 2022, core drilling amounted to 5,588.7 meters in 10 drill holes. Gold and lesser amount of silver were detected in core sample geochemical analyses. Values up to 4.5 meters grading 6.2 g/t Au. 67.1 g/t Ag, 0.4% Pb and 0.5% Zn, which included 0.8 meters of 13.9 g.t Au, in drill hole SP22-03 (September 7, 2022 press release in www.andeanpm.com). Drilling confirmed the intrusion-related, geological model. In addition, the Company contracted Quantec Geoscience to conduct ground geophysical surveying using their proprietary, Titan-24 DCIP and deep MT methods. Approximately 20.3 line-kilometers of geophysical surveying was completed.

During Q3 2022, exploration rights to the Jiwaki II area were purchased by the Company, directly adjacent to San Pablo. Surface sampling completed during Q3 2022 at Jiwaki II suggested continuity of the mineralized zone identified at San Pablo into the Jiwaki area.

Exploration and evaluation spending decreased from $3.9 million in 2021 to $3.6 million in 2022 due to reduced exploration activities. During the Q4 2022, Andean paused further work at San Pablo properties, to focus on strategic utilization of capital.

8. RECENT EVENTS AND DEVELOPMENTS

Return of capital - Normal Course Issuer Bid

In October 2022, the TSXV accepted notice of the Company's intention to make a normal course issuer bid ("NCIB") for certain of its shares. The Company intends to purchase for cancellation up to 7,895,706 of its outstanding shares, representing up to 5% of the total number of the Company's 157,914,131 shares outstanding as of September 15, 2022. Purchases under the bid were permitted to commence through the TSXV starting on October 4, 2022, and continue until October 3, 2023 or earlier if the Company has acquired the maximum number of shares that it may purchase under the NCIB or if the Company determines that it is appropriate to terminate the NCIB earlier. All shares purchased by the Company under the NCIB will be purchased at the market price, plus brokerage fees, at the time of acquisition in accordance with the rules and policies of the TSXV and applicable securities laws. Clarus Securities Inc. was retained to act as the designated broker to repurchase the Company's shares pursuant to the NCIB.

During 2022, the Company acquired and cancelled 322,000 shares through this program at an average cost of C$0.82 per share for a total cost of $0.2 million (C$0.3 million).

Corporate re-organization and management changes

In November 2022, the Company announced it was moving its main corporate functions to Monterrey, Mexico from Toronto, Canada. Monterrey is one of the largest business centers in Mexico and home to many large multinational companies. The Company's registered office remains in Canada. The move, completed in January 2023, is expected to result in near-term cost efficiencies and greater cross-functional collaboration to improve decision making. The benefits of the relocation have been reflected in the 2023 guidance.

Effective November 14, 2022, Andean's Founder and Executive Chairman, Alberto Morales, assumed the role of Chief Executive Officer ("CEO") following the resignation of Simon Griffiths, Andean's President and CEO effective November 13, 2022. Prior to the Company's completion of its qualifying transaction in March 2021, Mr. Morales was the CEO of Ag-Mining Investments AB, the company that in early 2018 purchased Manquiri from Coeur Mining. Under Mr. Morales' lead, Manquiri grew its cash position to approximately $50 million by the end of fiscal 2020, which allowed him to maintain a majority stake upon completion of the qualifying transaction.

Effective December 1, 2022, Juan Carlos Sandoval was appointed as Chief Financial Officer following the resignation of Jeff Chan as the CFO, effective December 1, 2022. Segun Odunuga joined the Company as Executive Vice President, Finance effective December 1, 2022.

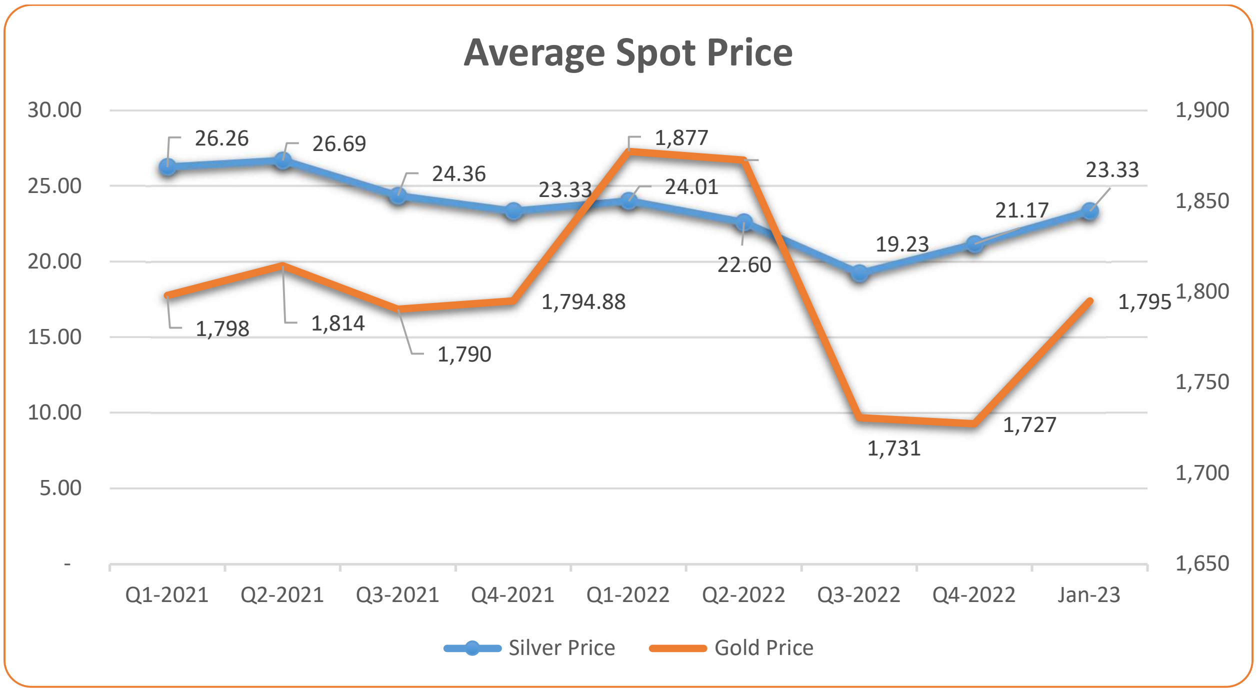
The Company's Board of Directors appointed Yohann Bouchard as an independent director effective December 1, 2022. Yohann Bouchard is a Professional Mining Engineer with over 25 years of mining experience leading operational teams throughout the Americas and Africa. His technical background in underground and open pit mining provides valuable industry insight and perspective.

The Company also appointed its first Lead Independent Director, Grant Angwin. Grant Angwin joined Andean's board as an independent director in July 2021 and is Chair of the Health, Safety, Environment, Social and Sustainability Committee and Chair of the Compensation Committee as well as a member of the Audit and Nomination & Corporate Governance Committees.

(in thousands of US dollars, unless otherwise noted)

9. TRENDS AND ECONOMIC CONDITIONS

The Company's profitability and cash flow from operations are materially affected by the market price of metals, primarily the prices of silver and gold. Historically, the price of silver and gold have been subject to volatile price movements over short periods of time and are affected by numerous macroeconomic and industry factors that are beyond the Company's control. Specifically, the price of silver is driven by speculation and supply and demand, like most commodities. The spot price of silver is highly volatile compared to that of gold due to the smaller market, lower market liquidity and demand fluctuations between industrial and store of value uses. These fluctuations cause wide-ranging valuations in the market, creating volatility.



Data source: London Bullion Marketing Association London PM Price and Silver Price

	Three months ended December 31,			Twelve months ended December 31,		
Spot price per ounce of silver	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Average	**$21.17**	$23.32	(9%)	**$21.73**	$25.04	(13%)
Low	**$18.39**	$21.81	(16%)	**$17.77**	$21.53	(17%)
High	**$23.95**	$25.27	(5%)	**$26.18**	$29.59	(12%)
Average realized price of silver per ounce	**$21.19**	$23.21	(9%)	**$21.76**	$24.94	(13%)

Various inputs and operational costs increased throughout the first three quarters of the year from global inflationary pressures before stabilizing in the fourth quarter which impacted the Company's operating cash costs. Global inflationary pressures can be attributed to the global monetary response to the COVID-19 pandemic and higher energy costs to the wide-reaching sanctions imposed upon Russia because of the conflict in Ukraine. Shipping and logistical challenges continued into 2022 before beginning to ease in the second half of the year. Following these challenges, the Company updated the 2022 All-in Sustaining Costs per unit guidance during the third quarter, which was achieved slightly above the upper end of the guidance.

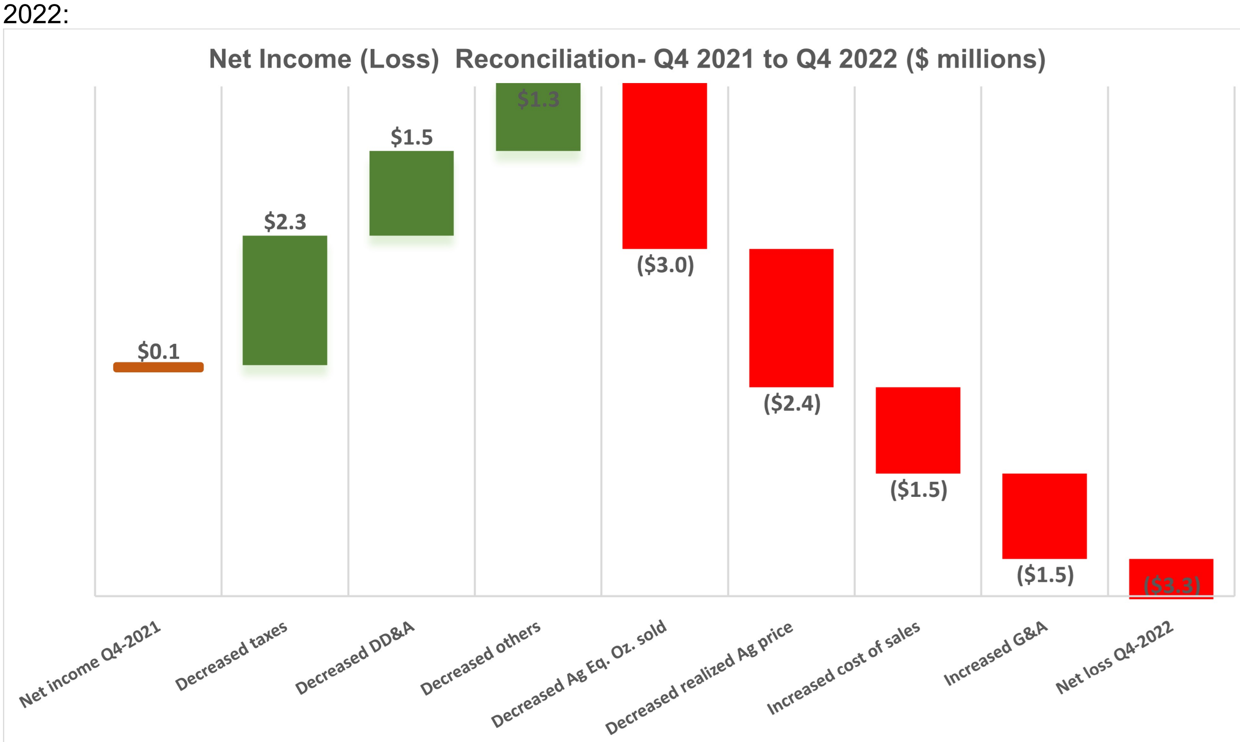
Andean regularly monitors economic conditions and estimates their impact on its operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Operational improvements and cost control remain a priority and costs managements strategies put in place have been reflected in the 2023 guidance.

10. FINANCIAL RESULTS

Q4 2022 compared to Q4 2021

Consolidated net loss of $3.3 million was recognized in the fourth quarter of 2022, compared to consolidated net income of $0.1 million in the fourth quarter of 2021. Basic and diluted loss per share of $0.02 were reported for Q4 2022 compared with basic and diluted income per share of $0.00 for the same quarter of 2021.

The following chart illustrates the key factors leading to the change in net income(loss) from Q4 2021 to Q4 2022:



The decrease in consolidated net income was primarily due to the $5.5 million decrease in revenue, $1.5 million increase in the milling costs and $1.5 million increase in corporate general and administration costs, primarily due to increase in share-based compensation expenses. The decrease was partially offset by $1.5 million decrease in depreciation and depletion charges and $2.3 million decrease in income tax expenses primarily resulted from net loss for Q4 2022 compared to taxable income for Q4 2021.

The details underlying these results are as follows:

Revenue

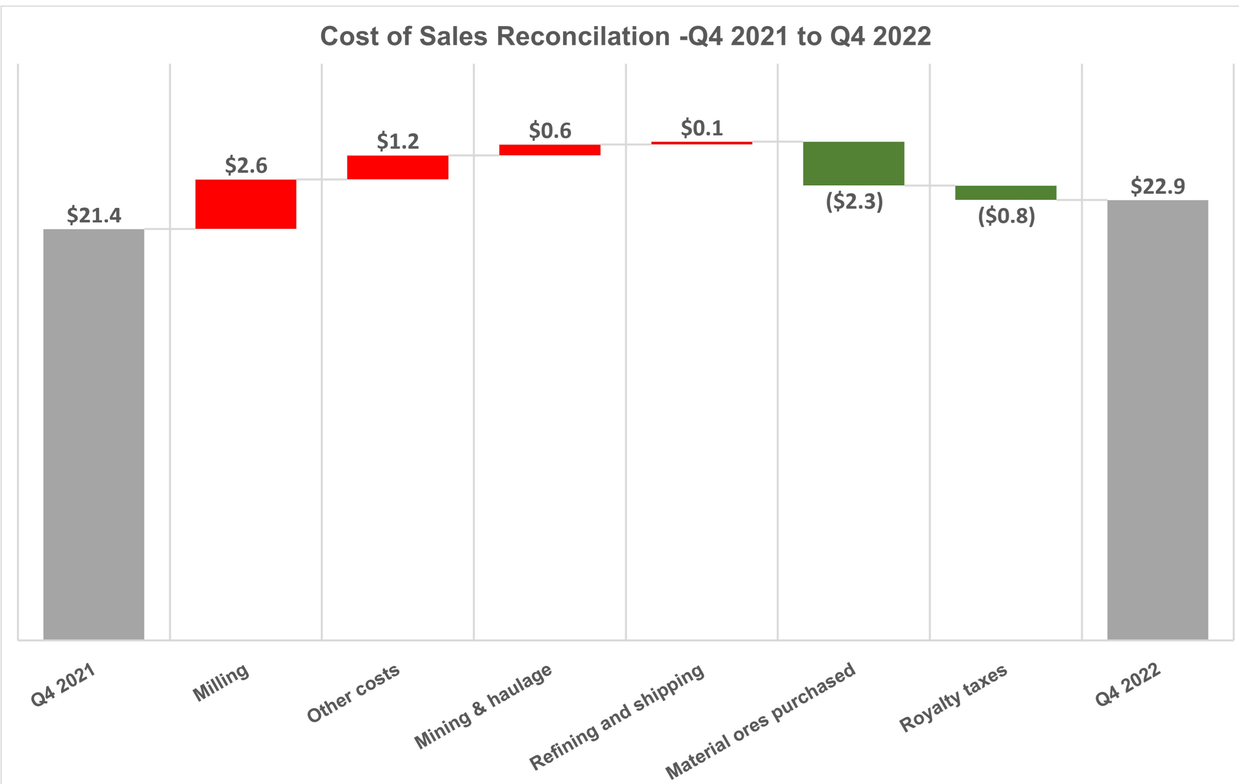
For the three months ended December 31, 2022, the Company recognized revenue of $25.7 million, a 18% or $5.4 million decrease when compared to Q4 2021. The decrease was due to lower Ag Eq ounces sold and average realized silver price when compared with the same period of last year. During the Q4 2022, 1.2 million silver equivalent ounces were sold, at an average realized price of $21.19 per silver ounce compared with 1.3 million silver equivalent ounces sold during the Q4 2021, at an average silver price per ounce of $23.21.

The $2.02 per ounce decrease in average realized silver price impacted revenues by $2.4 million for Q4 2022, while the decrease in silver equivalent ounces sold impacted revenue by $3.0 million during Q4 2022.

Cost of sales

In Q4 2022, cost of sales, which comprise the total production costs and royalty taxes, excluding depreciation and depletion, were $1.5 million higher than Q4 2021. The 7% increase was largely due to a $2.3 million increase in production costs offset by a $0.8 million decrease in royalty taxes.

The following chart illustrates the key factors leading to the change in cost of sales from Q4 2021 to Q4 2022:



The largest contributing factors to increased quarter-over-quarter cost of sales, which included the impact of inflationary costs, are described below:

(i) Total production costs, consisting of costs attributable to the Company's mining, ore purchasing, plant operations and refining costs , were $2.3million in Q4 2022 higher than Q4 2021. The increase was

largely due to $2.6 million and $1.6 million increase in milling costs and other direct costs, offset by a $2.3 million decrease in material ore purchased. The increase in milling costs were primarily due to increase in the price of major consumables used in the milling process. During Q4 2022, some of the costs of these major consumables increased on the average of 40% when compared with prices paid during the same periods of Q4 2021.

(ii) Q4 2022 net realizable value ("NRV") inventory adjustments, included in the other costs, was $1.0 million higher than Q4 2021. The increase in NRV inventory adjustments largely reflects increased costs of production due to inflationary pressures and lower silver prices.

(iii) Mining royalty taxes include export taxes and production royalties payable to COMIBOL on certain production areas, both of which are determined by a fixed percentage of gross sales. During Q4 2022, mining royalty taxes were $0.8 million lower than Q4 2021. The decrease in mining royalty taxes is primarily attributable to lower revenue realized during Q4 2022.

Depreciation and depletion

Depreciation and depletion ("D&D") costs form a component of operating costs and were $1.5 million lower than Q4 2021. The decrease in D&D costs is primarily attributable to a change in estimate of mineral resources, as documented in the updated San Bartolomé Technical Report.

General and administrative expenses

General and administrative costs include expenses related to the overall management of the business which are not part of direct mine operating costs, including corporate development costs incurred for strategic growth activities. During Q4 2022, general and administrative costs recorded were $1.5 million higher than Q4 2021. The increase was primarily driven by severance costs related to changes in management and increased non-cash share-based compensation.

Exploration expenses

Exploration and evaluation expenditures decreased to $0.5 million in the quarter ended December 31, 2022 from $1.0 million in Q4 2021. The decrease was due primarily to less holes drilled at the Company's San Pablo properties.

Other income

Other income of $1.2 million in Q4 2022 compared with $0.7 million of Q4 2021. The increase of $0.5 million reflected the fair value "mark-to-market" adjustments of $0.4 million on the Company's holdings of common shares of Santacruz Silver ("Santacruz") and $0.1 million interest income realized from the cash holding.

Foreign exchange loss (gain)

The Company reported other income of $1.2 million in Q4 2022 compared with $0.7 million in Q4 2021. The increase of $0.5 million reflects the fair value "mark-to-market" adjustments of $0.4 million on the Company's holdings of common shares of Santacruz and $0.1 million interest income realized from the cash holding.

Current income tax expense

Current income tax expense on Bolivian source income during Q4 2022 was $2.7 million lower than Q4 2021 due to the low level of income of the Company and certain expenditures being reclassified from non-deductible to deductible. The statutory income tax rate of 32.5% in Bolivia is consistent with the previous year.

Deferred income tax expense

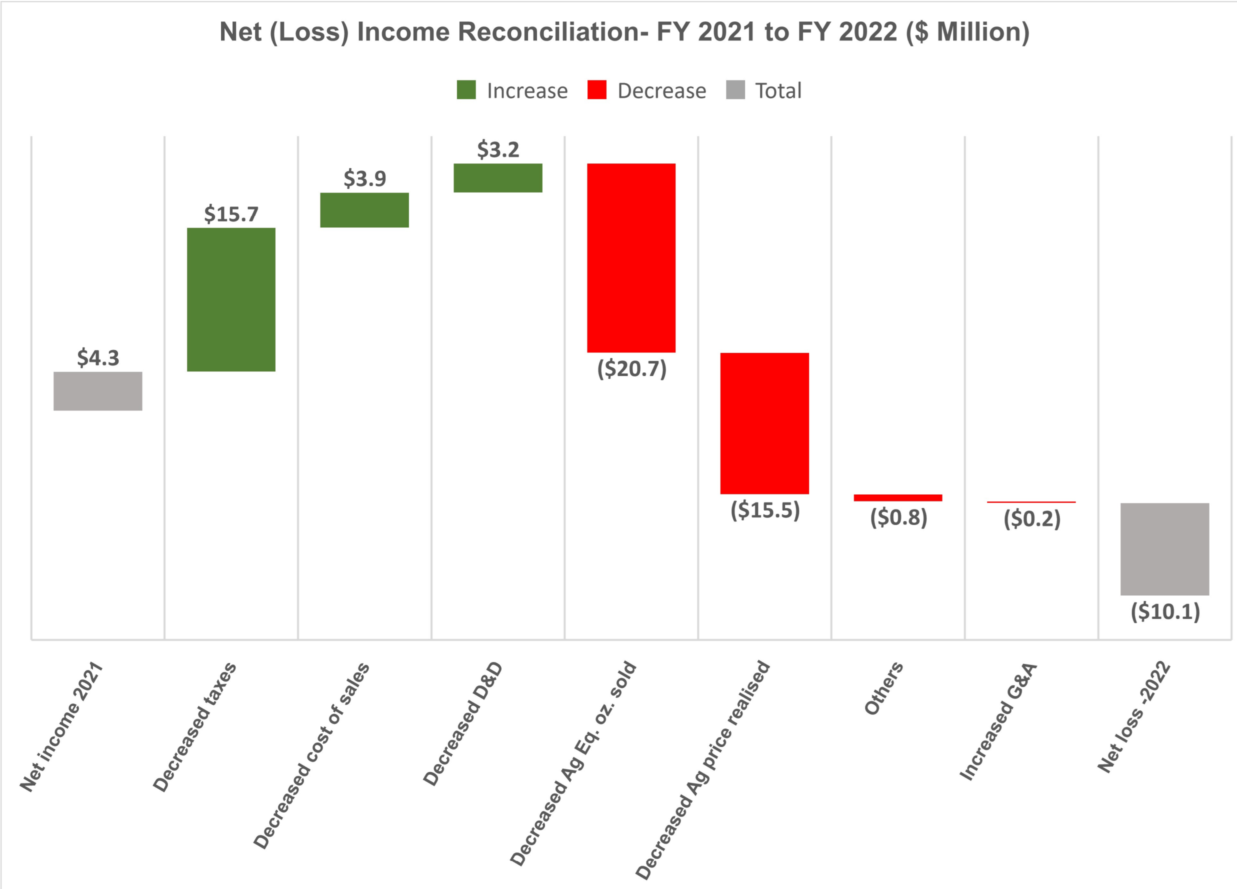
The deferred income tax expense in Q4 2022 was $0.4 million higher than the same period of 2021. During the quarter ended. A deferred tax expense was recognized during Q4 2022 due to the usage of Bolivian tax loss carry forward to offset taxable profits.

Full year 2022 compared to full year 2021.

The Company recorded consolidated income from mine operations of $9.7 million for the year ended December 31, 2022, compared with consolidated income from mines operations of $38.8 million for the year ended December 31, 2021.

Consolidated net loss of $10.1 million was recorded in 2022 compared to $4.3 million of consolidated net income in 2021, which corresponds to basic and diluted loss per share of $0.06 in 2022 and basic and diluted income per share of $0.03 in 2021. The $14.4 million net income change was due to $36.2 million decrease in revenue and the reversal of Santacruz impaired loan that occurred in 2021, offset by a $15.6 million decrease in income taxes, $3.9 million in cost of sales and $3.2 million in D&D.

The following chart illustrates the key factors underlying the change in net income(loss) from full year 2021 to full year 2022:



Details on these underlying factors are as follows:

Revenue

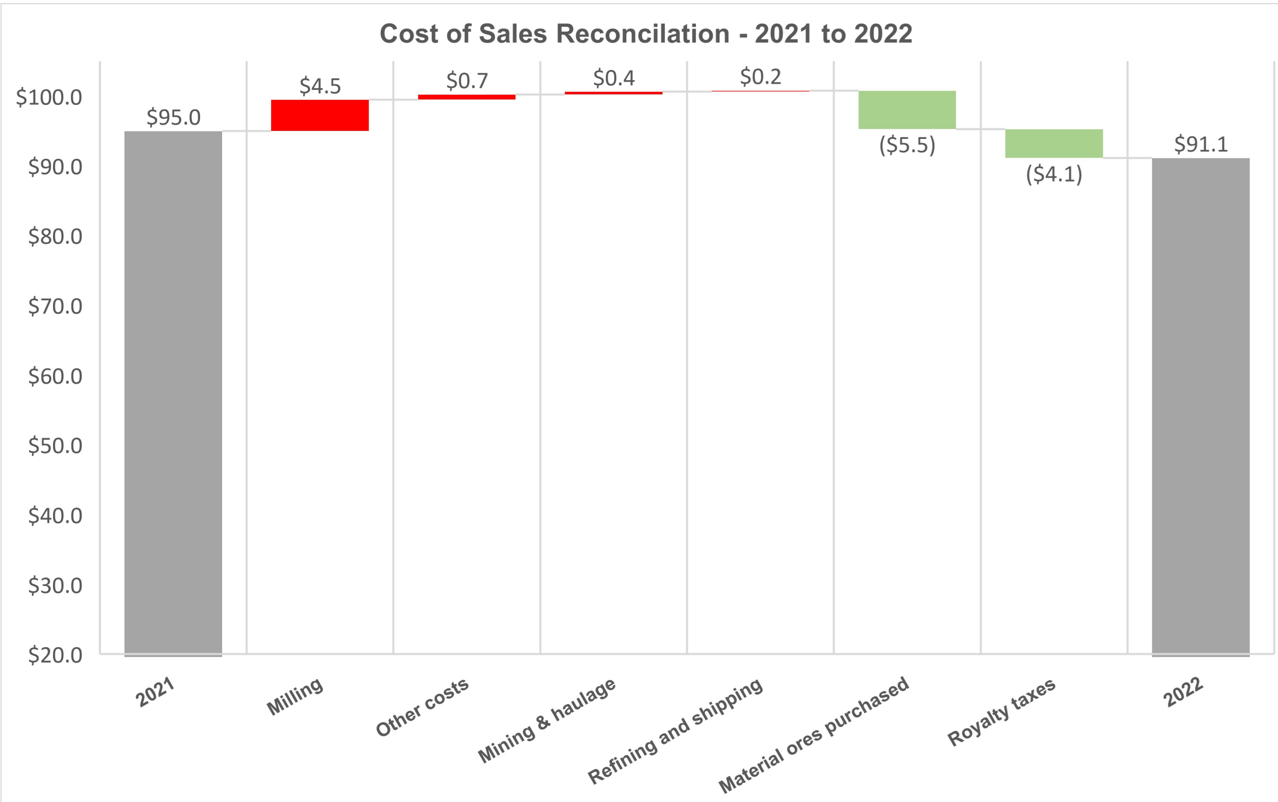
The Company recognized revenue of $108.1 million in 2022, a 25% or $36.2 million decrease when compared to the year ended December 31, 2021. The decrease was due to a decrease in silver equivalent ounces sold and a lower average realized silver price when compared with the prior year. The lower average realized silver price resulted in a $15.5 million decrease in revenue, while the decrease in silver equivalent ounces sold contributed to a $20.7 million decrease in revenue.

The Company sold 5.0 million silver equivalent ounces during the year ended December 31, 2022 at an average realized price of $21.76 per silver ounce sold, compared with 5.8 million silver equivalent ounces during the year ended December 31, 2021 at an average realized price of $24.94 per silver ounce sold.

Cost of sales

Cost of sales, excluding depreciation and depletion, in 2022 were $3.8 million or 4% lower than in 2021, largely due to decrease in material purchased costs of $5.5 million and royalty taxes of $4.1 million, offset by the high costs of milling of $4.5 million and other direct costs of $0.7 million.

The following chart illustrates the key factors underlying the change in cost of sales from full year 2021 to full year 2022:



The largest factors that increased year-over-year cost of sales are described below:

(i) Total production costs, consisting of costs attributable to the Company's mining, material purchasing, plant operations and refining costs, recorded in 2022 were $0.5 million higher than 2021 due to increases of $4.5 million, $0.4 million and $1.1 million in milling costs, mining costs and other direct costs respectively, offset by a $5.5 million decrease in material ore purchased.

The increase in milling costs was due primarily to inflationary cost pressures on major consumables used in the milling process, such as fuel and cyanide. During 2022, some of the costs of these major consumables increased on the average of 35% when compared with prices paid during the same periods 2021.

(ii) NRV inventory adjustments, included in the other costs, in 2022 were $0.3 million higher than 2021. The increase in NRV inventory adjustments reflects increased cost of production from inflationary pressures and lower silver prices.

(iii) Mining royalty taxes payable to COMIBOL on certain production areas, include export taxes and production royalties, both of which are determined by a fixed percentage of gross sales. Mining royalty taxes recorded in 2022 were $8.0 million compared with $12.1 million of 2021, a $4.1 million or 34% decrease year-over-year and primarily attributable to lower revenue realized during 2022.

Depreciation and depletion

Depreciation and depletion costs form a component of cost of sales and were $7.2 million during the year ended December 31, 2022 compared to $10.4 million during the year ended December 31, 2021. The decrease in depreciation and depletion costs are primarily attributable to lower production and a change in estimate of mineral resources, as documented in the San Bartolomé Technical Report, which generates a lower depreciation rate compared to 2021.

General and administrative expenses

General and administrative costs include expenses related to the overall management of the business which are not part of direct mine operating costs, including corporate development costs incurred for strategic growth activities. General and administrative expenses recorded for 2021 was $14.9 million compared to $14.7 million during the year ended December 31, 2021. Included in general and administrative for 2021 was one-time RTO Transaction costs of $3.5 million incurred with respect to the Company's public listing in March 2021.

Included in general and administrative expenses in 2022 was $1.8 million spent on various strategic growth focused activities.

Exploration and evaluation expenses

Exploration and evaluation expenditures decreased to $3.6 million in 2022 from $3.9 million in the prior year. 2022 spending consisted primarily of drilling at the Company's FDF, DSF and San Pablo properties, as well as the purchase of 200 hectares at Jiwaki II, proximal to San Pablo.

Other income (loss)

Other income of $0.8 million was recorded in 2022 compared to other loss of $2.4 million in 2021. Other income realized for 2022 reflected the fair value "mark-to-market" adjustments of a $1.2 million gain on the Company's holdings of common shares of Santacruz together with $0.6 million interest income realized from the cash holding related thereto, offset by the $0.8 million Bolivian government mandated years of service payments made to employees in Bolivia.

In 2021 the fair value "mark-to-market" adjustments on the Company's holdings of common shares of Santacruz resulted in a loss of $2.5 million and interest income of $0.1 million.

Finance costs

Finance costs comprise of bank charges and accretion expenses. Accretion expense, which primarily relates to movement in the reclamation liabilities for the Company's Manquiri sites, was $1.1 million in the 2022 compared to $1.0 million in the fourth quarter of 2021. The increase in expense was primarily due to an increase in discount rates applied to the underlying future reclamation costs and an increase in underlying future reclamation cash flows impacted by higher inflation. Mining properties have closure and reclamation plans. The Company adopts a strict regime for mine closure, including at least annual updates to its reclamation provisions aligned with the International Council on Mining and Metals Mine Closure framework. The Company's total liability for reclamation and closure cost obligations at December 31, 2022 was estimated to be $20.5 million. For more information, please see note 11 to the Company's financial statements for the year ended December 31, 2022.

(in thousands of US dollars, unless otherwise noted)

Current income tax expense (recovery)

The Company recorded an income tax recovery on Bolivian source income of $0.6 million during 2022 compared with income tax expenses of $2.9 million during 2021. The decrease was primarily due to net loss recorded for the year, impacted by lower revenue from silver equivalent ounces sold. The Company identified opportunities, based on the recommendation of its tax adviser, to reduce non-deductible expenditures in Bolivia totaling $14.2 million (pre-tax). Commencing in Q3 2022, the Company implemented the reduction which resulted in certain expenditures considered non-deductible expense in 2021 to become tax deductible.

The Company's effective tax rate is impacted by a statutory income tax rate of 32.5% in Bolivia.

Deferred income tax expense

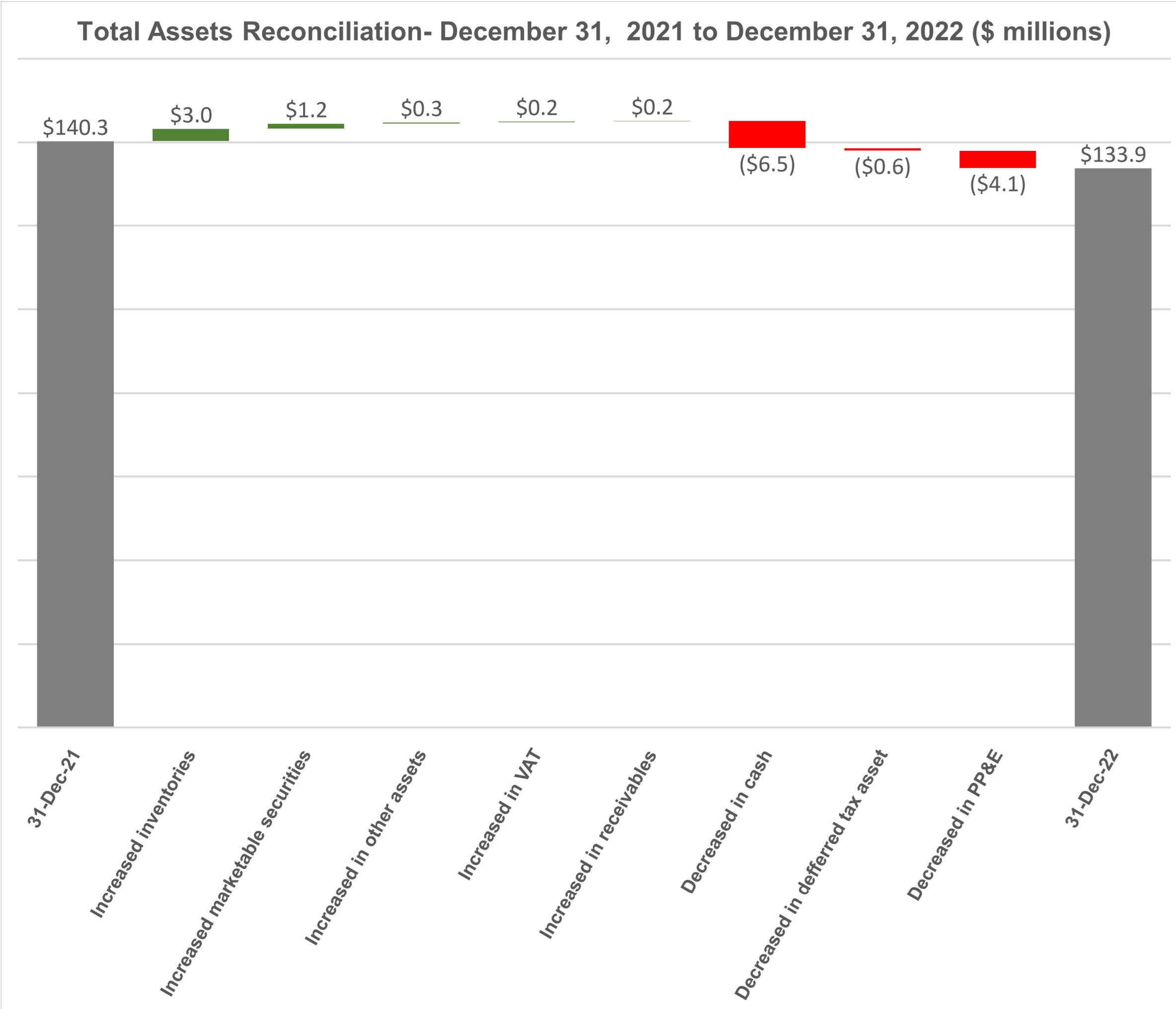
The Company recorded deferred income tax expense of $0.6 million during the year ended December 31, 2022, compared to $12.8 million during the year ended December 31, 2021. Deferred income taxes in 2021 related to the utilization of tax loss carry forwards recognized in 2020. No such loss carryforwards are available in 2022.

Review of the statement of financial position as at December 31, 2022 compared to December 31, 2021

		December 31, 2022		December 31, 2021
Assets				
Current	**$**	**109,300**	$	105,144
Non-current	**$**	**24,557**	$	35,149
Total	**$**	**133,857**	$	140,293
Liabilities				
Current	**$**	**15,343**	$	19,434
Non-current	**$**	**24,087**	$	18,301
Total	**$**	**39,430**	$	37,735

Total Assets

The following chart illustrates the key factors leading to the change in total assets from December 31, 2021 to December 31, 2022.



The largest factors that increased or decreased year-over-year total assets are described below:

At December 31, 2022, the Company had cash and cash equivalents of $80.7 million, a decrease of $6.5 million from the balance as at December 31, 2021, primarily due to $0.2 million share repurchase program, $0.2 million lease payments, $2.2 million additions to property, plant and equipment and $3.2 million net cash used in operating activities.

Total inventories at December 31, 2022 were $11.7 million compared to $8.7 million as at December 31, 2021. The $3.0 million increase in inventories was primarily due to the $1.1 million increase in the large portion of stockpiles materials and $2.3 million consumables. The $3.0 million increase was partially offset by $0.3 million decrease in silver doré. The increase in consumables inventories was largely due to high costs of cyanide and diatomaceous held in inventory. Company policy is to maintain a three month of safety stock of certain consumables inventories.

As December 31, 2022, VAT receivables, including VAT certificates, were $11.4 million compared to $11.2 million as at December 2021. VAT returns processed and approved by Bolivian tax authorities are converted to tax certificates. VAT certificates can be used to repay taxes or can be sold for cash at small discount. As at December 31, 2022 and 2021, the Company had $4.1 million and $0.1 million of VAT certificates on hand, respectively.

The Company considers that the outstanding VAT claims are fully recoverable and has classified all VAT balances due to the Bolivian operations based on the expected recovery period. As at December 31, 2022, amounts totalling $8.9 million and $$2.4 million are presented as current and non-current respectively.

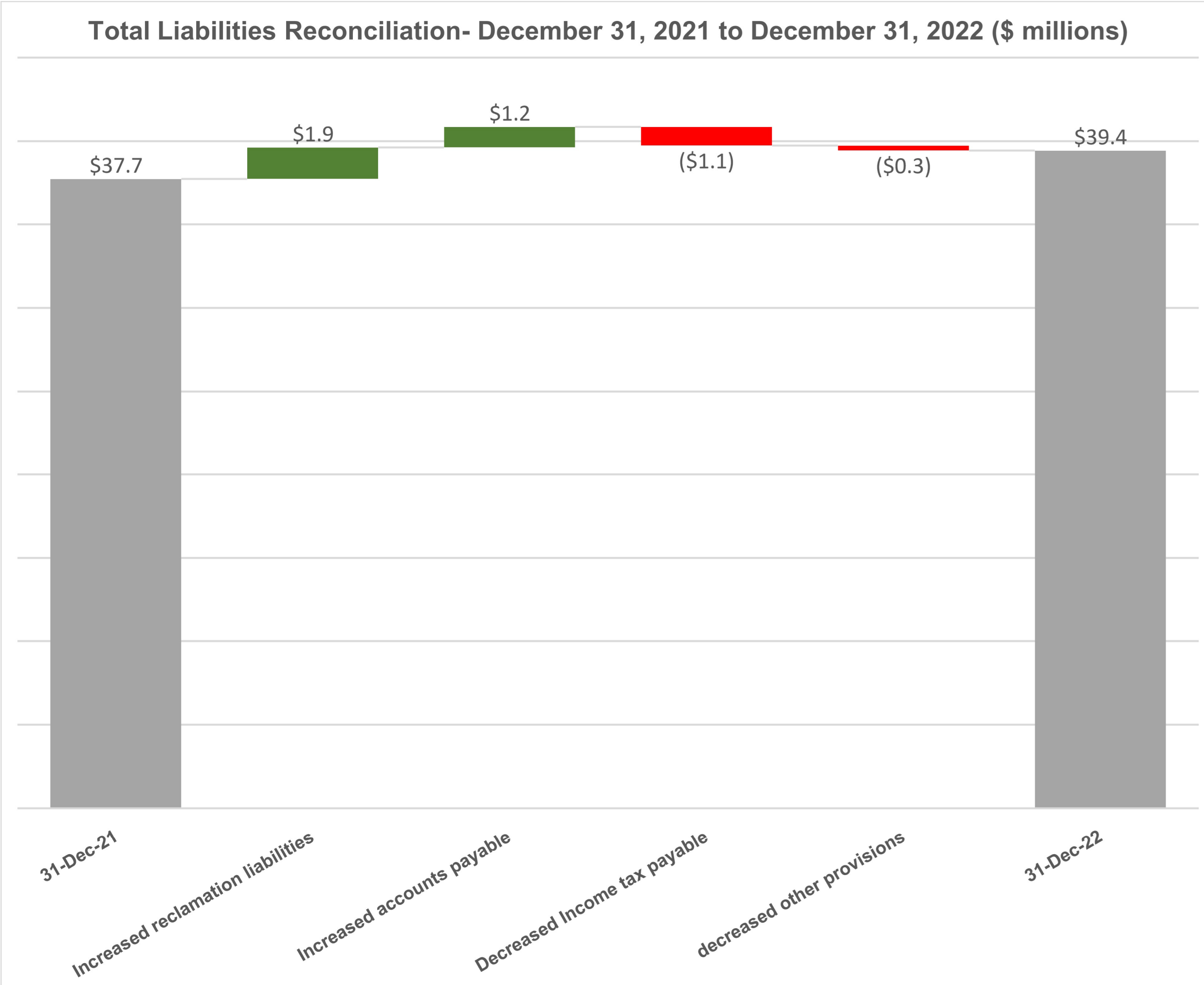
Marketable securities increased by $1.2 million due to the fair value "mark-to-market" adjustments of $1.2 gain on the Company's holdings of common shares of Santacruz.

The carrying value of property, plant and equipment as at December 31, 2022 was $16.6 million compared to $20.7 million as at December 31, 2021. The decrease was primarily due to $7.2 million in depreciation and depletion of property, plant and equipment in their normal course of operations during the year. Partially offsetting the overall decrease was $2.2 million of additions capitalized to the property, plant and equipment and the $0.9 million change in reclamation costs estimates capitalized.

Deferred income tax assets as at December 31, 2022 were $5.4 million compared to 6.0 million as at December 31, 2021. The decrease was due to the tax effects on temporary differences between accounting and tax basis related to the Bolivian's property, plant and equipment and other provisions.

Total liabilities

The following chart illustrates the key factors leading to the change in total liabilities from December 31, 2021 to December 31, 2022.



The largest factors that increased or decreased year-over-year total liabilities are described below:

Income taxes payable at December 31, 2022 was $1.8 million compared to $2.9 million at December 31, 2021. The decrease was primarily due to the net impact of current income tax expense and payments during the year, with the balance related to current income tax of the Bolivian operation.

The provision for reclamation at December 31, 2022 was $20.5 million compared to $18.6 million at December 31, 2021. The increase was primarily due to accretion expenses and an increase in the underlying future reclamation cash flows at the San Bartolomé operation.

11. LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

Historically, the Company's principal sources of liquidity have been from cash generated from operations, cash raised from equity financing, and cash borrowed from commercial banks in Bolivia. The Company's liquidity primarily depends on its ability to generate cash flow from its operations, as well as the Company's future operating and capital expenditure requirements. Management expects that the Company's ongoing liquidity requirements will be funded primarily from cash generated from operations. However, the Company may seek further financing, as required, to advance growth projects, including acquisitions.

(in thousands of US dollars, unless otherwise noted)

The Company's ability to generate sufficient cash is dependent on a number of factors, including the acquisition or discovery of economically recoverable reserves and resources, the market price of silver and the ability of the Company to sustain profitable operations. If required, the Company's ability to secure adequate financing is dependent on overall market conditions, commodity prices and other factors that may be outside the Company's control. There is no guarantee that the Company would be able to secure any or all necessary financing in the future.

Cash Flow

The following table summarizes the Company's cashflow activity:

		Q4 2022		Q4 2021		FY 2022		FY 2021
Cash flows (used in) from operating activities	**$**	**(2,985)**	$	5,569	**$**	**(2,740)**	$	33,615
Cash flow used in investing activities	**$**	**(1,901)**	$	(753)	**$**	**(3,724)**	$	(3,911)
Cash flow from (used) financing activities	**$**	**859**	$	(44)	**$**	**724**	$	19,401
Effect of exchange rate changes on cash and cash equivalents	**$**	**82**	$	(618)	**$**	**(807)**	$	(366)
Net cash (outflow) inflow	**$**	**(3,945)**	$	4,154	**$**	**(6,547)**	$	48,739
Cash balance	**$**	**80,729**	$	87,726	**$**	**80,729**	$	87,726

Q4 2022 compared to Q4 2021

Cash used in operating activities was $2.9 million in the fourth quarter of 2022, compared to $5.6 million cash provided from operating activities in the fourth quarter of 2021. The decrease in cash provided by operating activities was primarily due to lower EBITDA(1) impacted by lower revenue from silver equivalent ounces sold, unfavourable working capital change due to a higher VAT receivables balance and income taxes paid.

1 EBITDA is a non GAAP financial measures with no prescribed definition under IFRS. Refer to the "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" section of the MD&A for further detail, including a reconciliation of these metrics to the Financials Statements.

Cash used in investing activities of $1.9 million, mostly related to $1.5 million investment in marketable securities, which were $1.2 million higher than the same quarter of 2021.

Cash flows from financing activities during the fourth quarter of 2022 was $0.9 million mostly related to proceeds received from disposal of Santacruz's marketable securities, partly offset by return to shareholders through the share repurchase program.

Year-ended December 31, 2022 compared to 2021

Cash flow used in operating activities for the year ended December 31, 2022 was $36.4 million lower than the year ended December 31, 2021. The decrease in cash provided by operating activities was primarily due to lower EBITDA(2) impacted by lower revenue from silver equivalent ounces sold, unfavourable working capital change due to a higher inventories balance of consumables and income taxes paid.

Cash flow used in investing activities for the year ended December 31, 2022 was $3.7 million which related investment in marketable securities and additions to property plant and equipment. During the year the year the Company invested in capital spending on the expansion of the tailing dam, both at the north side and south side.

Cash flows from financing activities during the year ended December 31, 2022 was $0.7 million relating to $1.1 million proceeds from the disposal Santacruz common shares partly offset by the $0.2 million return to shareholders through the share repurchase program and $0.2 million for lease payment. Cash from financing activities in 2021 consisted primarily of $19.6 million raised from private placements in August 2020 and February 2021, net of transaction costs, which were released on the completion of the RTO Transaction.

(in thousands of US dollars, unless otherwise noted)

Working Capital

The Company had positive net working capital of $94 million as at December 31, 2022, consisting of current assets of $109 million less current liabilities of $15 million.

Contractual Obligations and Operating Commitments

A summary of contractual obligations and operating commitments as at December 31, 2022, are as follows:

		Total	Within 1 year	1 - 2 years	3 - 5 years	Greater than 5 years
Provision for reclamation [(1)]	$	20,453	436	13,125	6,892	-
Other provisions		4,070	3,682	388		-
	$	24,523	4,118	13,513	6,892	-

1. The provision for reclamation represents the undiscounted amount of the estimated cash flows required to settle the mine closure obligations of the San Bartolomé mine.
2. EBITDA is a non GAAP financial measures with no prescribed definition under IFRS. Refer to the "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" section of the MD&A for further detail, including a reconciliation of these metrics to the Financials Statements.

12. SELECTED ANNUAL FINANCIAL INFORMATION

		FY 2022	FY 2021		FY 2020
Revenue	**$**	**108,049**	144,207	$	130,672
Income from mine operations	**$**	**9,704**	38,806	$	37,615
Net (loss) income	**$**	**(10,091)**	4,268	$	45,959
Net (loss) income per share					
-Basic	**$**	**(0.06)**	0.03	$	0.38
-Diluted	**$**	**(0.06)**	0.03	$	0.38
Total assets	**$**	**133,857**	140,293	$	115,783
Total non-current liabilities	**$**	**20,405**	18,301	$	16,844

(in thousands of US dollars, unless otherwise noted)

13. SUMMARY OF QUARTERLY RESULTS

		Q4 2022	Q3 2022		Q2 2022		Q1 2022
Revenue	**$**	**25,666**	23,603	$	28,892	$	29,888
Net (loss) income	**$**	**(3,341)**	(2,840)	$	(6,184)	$	2,274
Earnings (loss) income per share							
Basic	**$**	**(0.02)**	(0.02)	$	(0.04)	$	0.01
Diluted	**$**	**(0.02)**	(0.02)	$	(0.04)	$	0.01
Total assets	**$**	**133,857**	139,050	$	144,198	$	145,201
Total liabilities	**$**	**39,430**	41,757	$	44,515	$	39,784

		Q4 2021	Q3 2021		Q2 2021		Q1 2021
Revenue	$	**31,131**	36,691	$	38,038	$	38,347
Net income (loss)	$	**74**	1,846	$	3,871	$	(1,523)
Earnings income (loss) per share							
Basic	$	**0.00**	0.01	$	0.02	$	(0.01)
Diluted	$	**0.00**	0.01	$	0.02	$	(0.01)
Total assets	$	**140,293**	137,472	$	132,350	$	127,713
Total liabilities	$	**37,735**	35,350	$	32,428	$	11,308

14. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Ultimate Controlling Shareholder

The ultimate controlling shareholder is PMB Partners LP, a Canadian partnership.

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, including officers at its subsidiaries. Management fees are payable to companies controlled by the Executive Chairman of the Company. The management fees paid includes administrative costs for the corporate office in Mexico and employees' costs and benefits of certain employees in Mexico that provides administrative and operational services to the Company.

The total compensation paid or payable to key management amounted to:

		FY 2022		FY 2021
Management fees	**$**	**3,409**	$	3,255
RTO Transaction costs		**-**		520
Salaries and benefits		**1,617**		1,722
Severance costs		**776**		560
Stock-based compensation		**1,548**		1,989
Total	**$**	**7,350**	$	8,046

15. NON-GAAP FINANCIAL MEASURES, RATIOS AND SUPPLEMENTARY FINANCIAL MEASURES

OCC, AISC and AIC

Operating Cash Costs ("OCC"), AISC and all-in costs ("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.

(in thousands of US dollars, unless otherwise noted)

(i) Operating cash costs 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.

(ii) AISC on a by-product basis per ounce is a non-GAAP ratio calculated as all-in sustaining costs on a by-product basis divided by ounces of silver equivalent sold. All-in sustaining costs 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 all-in sustaining costs 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 San Pablo, 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.

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

		Q4 2022		Q4 2021		**FY 2022**		FY 2021
Costs of sales, as reported	**$**	**22,902**	$	21,382	**$**	**91,133**	$	**95,013**
Total operating cash cost before by-product credits		**22,902**		21,382		**91,133**		**95,013**
Less: by-product gold credits		**(210)**		(2,356)		**(4,245)**		**(10,403)**
Total cash operating cost	**$**	**22,692**	$	19,026	**$**	**86,888**	$	**84,610**
Divided by silver ounces sold (K oz)		**1,201**		1,240		**4,769**		**5,366**
OCC per silver ounce sold, on a by-product basis	**$**	**18.89**	$	15.34	**$**	**18.22**	$	**15.77**

(in thousands of US dollars, unless otherwise noted)

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

		Q4 2022		Q4 2021		FY 2022		FY 2021
Cash costs, net of by-product credits	**$**	**22,692**	$	19,026	**$**	**86,888**	$	84,610
General and administrative expenses (1)		**3,351**		2,847		**10,085**		8,319
Sustaining capital expenditures (2)		**381**		753		**2,204**		3,383
Lease payments		**15**		44		**150**		223
Accretion for decommissioning liability		**252**		227		**1,094**		941
Sustaining exploration and evaluation (2)		**-**		-		-		31
All-in sustaining costs	**$**	**26,691**	$	22,897	**$**	**100,421**	$	97,507
Divided by silver ounces sold (K ozs)		**1,201**		1,240		**4,769**		5,366
AISC per silver ounce sold, on a by-product basis	**$**	**22.22**	$	18.47	**$**	**21.06**	$	18.17

(1) For the quarter and year ended December 31, 2022, general and administrative expenses exclude severance costs of $785 and $785 (for the quarter and year December 31, 2021 - $nil and $677) ; corporate development costs of $105 and $1,833 (for the quarter and year December 31, 2021 - $97 and $189); and non-cash share-based compensation costs of $701 and $2,156 (for the quarter and year December 31, 2021 - $494 and $2,017)

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

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

		Q4 2022		Q4 2021		FY 2022		FY 2021
All-in sustaining costs	**$**	**26,691**	$	**22,897**	**$**	**100,421**	$	97,507
Non-sustaining exploration and evaluation(1)		**458**		**947**		**3,615**		3,863
All-in costs	**$**	**27,149**	$	**23,844**	**$**	**104,036**	$	101,370
Divided by silver ounces sold (K ozs)		**1,201**		**1,240**		**4,769**		5,366
AIC per silver ounce sold, on a by-product basis	**$**	**22.60**	$	**19.23**	**$**	**21.81**	$	18.89

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

(in thousands of US dollars, unless otherwise noted)

EBITDA and Adjusted EBITDA

The Company has included EBITDA and adjusted EBITDA as a non-GAAP financial measure in this MD&A. 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 adjusted EBITDA to the financial statements for their respective periods:

		Q4 2022		Q4 2021		FY 2022		FY 2021
Net (loss) income	**$**	**(3,341)**	$	74	**$**	**(10,091)**	$	4,268
Add:								
Income taxes		**36**		2,329		**17**		15,713
Finance costs		**291**		385		**1,279**		1,292
Depreciation and depletion		**1,666**		3,162		**7,212**		10,388
EBITDA	**$**	**(1,348)**	$	5,950	**$**	**(1,583)**	$	31,661
Add: RTO transaction costs		**-**		-		**-**		3,451
Add: Non-sustaining exploration and evaluation costs		**459**		979		**3,615**		3,894
Add: Severance costs[1]		**785**		-		**785**		677
Add: Corporate development costs		**105**		55		**1,883**		189
Add: Change in fair value of marketable securities[2]		**(957)**		(539)		**(1,161)**		2,460
Less: Santacruz Loan recovery		**-**		-		**-**		(3,820)
Adjusted EBITDA	**$**	**(956)**	$	6,445	**$**	**3,539**	$	38,512

(1) Severance costs relate to amounts payable to the former officers of the Company.
(2) 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-GAAP financial measure in this MD&A. 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. 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 financial statements for their respective periods:

		Q4 2022		Q4 2021		FY 2022		FY 2021
Operating cash flows	**$**	**(2,985)**	$	5,569	**$**	**(2,740)**	$	**33,615**
Less:								
Expenditures on property, plant and equipment		**(381)**		(753)		**(2,204)**		**(3,383)**
Lease payments		**(15)**		(44)		**(150)**		**(223)**
Free cash flow	**$**	**(3,381)**	$	4,772	**$**	**(5,094)**	$	**30,009**

(in thousands of US dollars, unless otherwise noted)

Average Realized Gold and Silver Prices Per Ounce

The Company has included average realized prices as a supplementary non-GAAP financial measure in this MD&A. The Company quantifies average realized price as revenue per the Statement of Income (loss) divided by oz of gold or silver sold. Management uses this measure to monitor its sales of silver and gold ounces against the average market silver and gold prices.

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

	Q4 2022	Q4 2021	FY 2022	FY 2021
Silver revenue	**$ 25,456**	$ 28,775	**$ 103,804**	$ 133,804
Silver oz sold (k oz)	**1,201**	1,240	**4,769**	5,366
Average realized silver price per oz	**$ 21.19**	$ 23.21	**$ 21.76**	$ 24.94

	Q4 2022	Q4 2021	FY 2022	FY 2021
Gold revenue	**$ 210**	$ 2,356	**$ 4,245**	$ **10,403**
Gold oz sold (oz)	**120**	1,313	**2,341**	**5,888**
Average realized gold price per oz	**$ 1,750**	$ 1,794	**$ 1,814**	$ **1,767**

(in thousands of US dollars, unless otherwise noted)

16. MINERAL RESOURCE STATEMENT [1]

San Bartolomé Mine

Location	Tonnes (000's)	Silver (g/t)	Silver oz. (million)	Tin (%)	Tin tonnes (000's)
Pallacos Oxides[3,4,5]					
Antuco (M+I)	**876**	**77**	2.18		
Measured	136	79	0.35		
Indicated	738	77	1.83		
Huacajchi (M+I)	**103**	**74**	**0.25**		
Measured	101	74	0.24		
Indicated	1.83	88	0.16		
Santa Rita (M+I)	**1,258**	**87**	**3.52**		
Measured	372	89	1.07		
Indicated	886	86	2.46		
Inferred	331	89	0.95		
Combined Pallacos (M+I)	**2,237**	**83**	**5.95**		
Measured	611	84	1.66		
Indicated	1,626	82	4.29		
Inferred	331	89	0.95		
Tatasi-Portugalete (M+I)[7]	**82**	**304**	**0.81**		
Measured	**34**	**308**	**0.34**		
Indicated	**48**	**302**	**0.47**		
Inferred	**16**	**272**	**0.14**		
FDF Oxides:[9]					
Indicated	10,148	50	16.20	0.12	11.93
Inferred	1,505	48	2.30	0.09	1.33
DSF Oxides:[10]					
Inferred	18,110	43	25.09	0.16	28.90

Notes:

(1) Mineral resources cited herein are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserve.

(2) Mineral resources are effective December 31, 2022 and reflect mining depletion of the December 31, 2021 mineral resources, disclosed in the San Bartolomé Technical Report.

(3) Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate. Rounding may result in apparent differences.

(4) Pallacos mineral resources are reported using the following Ag Cut off Grades: Antuco: 62.9 g/t Ag, Huacajchi: 58.1 g/t Ag and Santa Rita: 61.5 g/t Ag.

(5) Pallacos mineral resources are reported within a constraining pit shell. Assumed silver price of $22/oz; b) Assumed metallurgical silver recovery: 88%; c) variable mining cost by deposit: Antuco $7.53/t, Huacajchi $6.25/t and Santa Rita $7.06/t; d) process costs: Antuco $19.78/t Huacajchi $19.03/t and Santa Rita $19.11/t; e) Washing (+8) costs: $1.2/t; f) G&A costs: Antuco $5.37/t Huacajchi $6.29/t and Santa Rita $5.34/t. other costs considered included Smelting, COMIBOL(Corporación Minera de Bolivia) royalty and the Silver Bolivian Royalty.

(6) Pallacos mineral resources are effective as of December 31, 2022. Assumptions include 100% mining recovery.

(7) Tatasi-Portugalete mineral resources are based on the Technical Report on the Bolivian Operations of Ag-Mining Investments AB and Buckhaven Capital Corp., effective March 17, 2020, prepared by Birak Consulting LLC and NCL Ingenería y Construcción SpA.

(8) A nominal cut-off of $25 has been used for reporting the mineral resources at the FDF. This cut-off considers, on a per tonne basis, $1.50 mining cost, $19.00 processing costs, $4.50 general & administrative costs. All cost assumptions are provided by Andean and based on internal studies for mining and existing operations.

(9) FDF mineral resources are effective as of December 31, 2021. Assumptions include 100% mining recovery. No depletion of the FDF mineral resources has occurred.

(10) DSF mineral resources are as disclosed in a November 13, 2022 press release on www.andeanpm.com.

Mineral Resource Estimate Methodology

Methodology for estimation of mineral resources in the pallacos, Tatasi-Portugalete and in the FDF are disclosed in the San Bartolomé Technical Report. DSF mineral resource estimation methods were similar to those used for the FDF.

Mineral resources were categorized in a manner consistent with CIM Guidelines and consider spacing of drilling, numbers of composites, and geostatistical indicators of estimation quality as well as other factors.

17. LEGAL PROCEEDINGS

In the normal course of business, the Company and its subsidiaries may become defendants in certain employment claims and other litigation. The Company records a liability when it is probable that a loss has been incurred and the amount is reliably estimable. The Company is not involved in any legal proceedings other than routine litigation arising in the normal course of business, none of which the Company believes will have a material adverse effect on the Company's business, financial condition or results of operations.

18. OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that has not previously been discussed.

19. IFRS CRITICAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Management has discussed the development and selection of our critical accounting estimates with the Audit Committee of the Board of Directors, and the Audit Committee has reviewed the disclosure relating to such estimates in conjunction with its review of this MD&A. The accounting policies and methods we utilize determine how we report our financial condition and results of operations, and they may require management to make estimates or rely on assumptions about matters that are inherently uncertain. The financial statements have been prepared in accordance with IFRS under the historical cost convention, as modified by revaluation of certain financial assets. Our critical accounting policies are disclosed in note 3 to the financial statements, including a summary of current and future changes in accounting policies.

Critical Accounting Estimates and Judgments

Certain accounting estimates have been identified as being "critical" to the presentation of our financial condition and results of operations because they require us to make subjective and/or complex judgments about matters that are inherently uncertain; or there is a reasonable likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates.

Management's estimates and underlying assumptions are reviewed on an ongoing basis. Any changes or revisions to estimates and underlying assumptions are recognized in the period in which the estimates are revised and in any future periods affected. Changes to these critical accounting estimates could have a material impact on the consolidated financial statements.

Our significant accounting judgments, estimates and assumptions are disclosed in note 4 to the accompanying financial statements.

20. DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of authorized shares without par value. The Company does not currently pay dividends and entitlement will only arise upon declaration.

At December 31, 2022 and the date of this filing, the Company had 158,032,756 shares, 2,313,913 options to purchase shares of the Company and 2,112,913 restricted share units issued and outstanding (December 31, 2021 – the Company had 157,473,506 shares, 2,063,913 options to purchase shares of the Company and 6,121,875 restricted share units issued and outstanding).

21. DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of and annual filings and other reports provided under securities legislation.

22. RISK FACTORS

The Company's activities expose it to a variety of financial market risks, credit risks and liquidity risks, as described in Note 18 of the accompanying financial statements.

The Company also identified a number of other risks and uncertainties:

Commodity Prices and Availability

Andean's profitability and long-term viability depend, in large part, upon the market prices of metals that may be produced from its properties and processed at its plant, primarily silver. Market price fluctuations of this commodity could adversely affect profitability of Andean operations and lead to impairments of mineral properties and inventory. Metal prices fluctuate widely and are affected by numerous factors beyond Andean's control, including:

- global and regional supply and demand for industrial products containing metals generally;
- changes in global or regional investment or consumption patterns;
- increased production due to new mine developments and improved mining and production methods;
- decreased production due to mine closures;
- interest rates and interest rate expectation;
- expectations with respect to the rate of inflation or deflation;
- availability and costs of metal substitutes;
- global or regional political or economic conditions; and
- sales by central banks, holders, speculators and other producers of metals in response to any of the above factors.

There can be no assurance that metal prices will remain at current levels or that such prices will improve. A decrease in the market prices could adversely affect the profitability of Andean's existing mines, processing plant and projects as well as its ability to finance the exploration and development of additional properties, which would have a material adverse effect on Andean's results of operations, cash flows and financial position. A decline in metal prices may require Andean to write-down mineral reserve and mineral resource estimates by removing ores from mineral reserves that would not be economically processed at lower metal prices and revise life-of-mine plans, which could result in material write-downs of investments in mining properties. Any of these factors could result in a material adverse effect on Andean's results of operations, cash flows and financial position. Further, if revenue from metal sales declines, Andean may experience liquidity difficulties. Its cash flow from mining and ore processing operations may be insufficient to meet its operating needs, and as a result Andean could be forced to discontinue production and could lose its interest in, or be forced to sell, some or all of its properties.

In addition to adversely affecting mineral reserve and mineral resource estimates and Andean's results of operations, cash flows and financial position, declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and/or may interrupt operations until the reassessment can be completed, which may have a material adverse effect on Andean's results of operations, cash flows and financial position. In addition, lower metal prices may require Andean to reduce funds available for exploration with the result that the depleted reserves may not be replaced.

The profitability of Andean's operations is dependent upon the cost and availability of critical consumables supplies, which are consumed or otherwise used in connection with Andean's operations and projects, including, but not limited to, cyanide, lime, zinc, borax and diatomaceous earth. Prices of such consumables supplies also fluctuate widely and are affected by numerous factors beyond the control of the Company. Further, as many of Andean's mines are in remote locations and energy is generally a limited resource, Andean faces the risk that there may not be sufficient energy available to carry out mining activities efficiently or that certain sources of energy may not be available.

Supply and Quality of Purchased Material

Andean's operations include the purchase of materials from local mining cooperatives as well as through the Company's contract with RALP, which is then used to supply the production of its San Bartolomé plant. The production and revenues of the Company depend on the availability of the mineral material being supplied from these suppliers. To mitigate this risk, the Company maintains a department to evaluate purchasing opportunities throughout Bolivia.

The Company does not have control over the volume of mineralized material and material grade purchased from its suppliers. The variability of volume of mineralized material and material grade can have an impact over the volume of metals produced and sold. The Company mitigates this risk by working with a minimum cut-off purchase grade to ensure best efficiency and profitability of its plant operations.

Cost Estimates May not be Accurate

The Company prepares budgets and estimates of cash costs and capital costs for its operations and its main costs relate to material costs, workforce and contractor costs, and energy costs. As a result of the substantial expenditures involved in the development of mineral projects and the fluctuation of costs over time, development projects may be prone to material cost overruns. The Company's actual costs may vary from estimates for a variety of reasons, including short-term operating factors; revisions to development plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability and unexpected labour issues, labour shortages, strikes or community blockades and quality of existing infrastructure being less than expected. Many of these factors are beyond our control and the inaccuracy of any estimates may result in the Company requiring additional capital and time to execute on its development and exploration plans.

Exploration, Development and Operating Risks

Mining operations are inherently dangerous and generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of silver and gold, including, without limitation, unusual and unexpected geologic formations, seismic activity, flooding, pit wall failure and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or loss of life, damage to property and environmental damage, all of which may result in possible legal liability. Although the Company expects that adequate precautions to minimize risk will be taken, mining operations are subject to hazards such as fire, rock falls, geomechanical issues, equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. The occurrence of any of these events could result in a prolonged interruption of the Company's operations that would have a material adverse effect on its business, financial condition, results of operations and prospects.

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices that are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Health, Safety and Environmental Risks and Hazards

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death and/or material damage to the environment and

Company assets. The impact of such accidents could affect the profitability of the operations, potentially result in fines, penalties or other prosecutions, cause an interruption to operations, lead to a loss of licenses, affect the reputation of Andean and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of Andean as an employer.

All phases of Andean's operations are subject to environmental and safety regulations in the jurisdictions in which it operates. These regulations mandate, among other things, worker safety, water quality, water management, land reclamation, waste disposal (including the generation, transportation, storage and disposal of hazardous waste), mine development and protection of endangered and other special status species. Failure to comply with applicable health, safety and environmental laws and regulations could result in injunctions, fines, suspension or cancellation of permits and approvals and could include other penalties including negligence claims or criminal prosecution. Health, safety and environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that Andean has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety permits. In addition, no assurances can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could have an adverse effect on Andean's financial position and operations. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations, including Andean, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent Andean from proceeding with the development of a project or the operation or further development of a mine, and any non-compliance therewith may adversely affect Andean's business, financial condition and results of operations.

Government environmental approvals and permits are currently, or may in the future be, required in connection with Andean's operations. To the extent such approvals are required and not obtained, Andean may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Andean may also be held financially responsible for remediation of contamination at current or former sites, or at third party sites. Andean could also be held responsible for exposure to hazardous substances. The costs associated with such instances and liabilities could be significant.

Andean may be required to submit, for government approval, a reclamation or closure plan for each of its mining/project sites. The reclamation plan establishes Andean's obligation to reclaim property after certain mining or exploration activities have been carried out by Andean. In some jurisdictions, bonds or other forms of financial assurances are required as security to ensure performance of the required reclamation activities. Andean may incur significant reclamation costs which may materially exceed the provisions Andean has made for such reclamation. In addition, the potential for additional regulatory requirements relating to reclamation or additional reclamation activities may have a material adverse effect on Andean's financial condition, liquidity or results of operations. When a previously unrecognized reclamation liability becomes known or a previously estimated cost is increased, the amount of that liability or additional cost may be expensed, which may materially reduce net income in that period.

The extraction process for silver and gold can produce tailings, which are the sand-like materials which remain from the extraction process. Tailings are stored in engineered facilities, which are designed, constructed, operated and closed in conformance with local requirements and best practices.

In 2008, a three-stage tailings impoundment was commissioned at Manquiri under previous management, which serves to store both dry and wet tailings from the mill. The stages are fines disposal, dry-stack facility, and water recovery operations, and are located approximately two kilometers to the southeast of the mill operations. The fines disposal facility is a zero-discharge facility which is designed to also hold storm water and leads to a separate water impoundment for recycling to the mill as needed. Both the fines disposal facility and dry-stack facilities are fully lined. The tailings facility is designed to maximize water efficiency and minimize long-term environmental impacts by creating a highly concentrated tailing. The low level of water concentrated in the tailings provides structural stability, which is also a critical component to site closure.

Should a breach of these facilities occur due to extreme weather, seismic event, or other incident, Andean could suffer a material financial impact on its operations and financial condition, including the potential for criminal and financial liability. In order to mitigate and substantially reduce these risks, the Company utilizes specialist tailings dam consultant Knight Piesold to oversee the design, construction methodology and monitoring.

Andean actively engages with local communities to provide timely information about the operations and participates in a variety of activities to contribute to the wellbeing of local communities. Health, safety, environmental or other incidents, real or perceived, could cause community unrest that manifest into protests, road blockages, or other civil disobedience activities that could materially disrupt Andean's operations.

The operations of Andean are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although Andean believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, new rules and regulations may be enacted or existing rules and regulations may be applied in a manner that could limit or curtail production or development of Andean's properties. Amendments to current laws and regulations governing the operations and activities of Andean or more stringent implementation thereof could have a material adverse effect on Andean's business, financial condition and results of operations.

COVID-19

Global markets have been adversely impacted by the Global COVID-19 Pandemic and could be impacted by other emerging infectious diseases and/or the threat of outbreaks of viruses, other contagions or epidemic diseases in the future. The Pandemic has resulted in a widespread crisis that has adversely affected the economies and the financial markets of many countries, resulting in an economic downturn which could adversely affect Andean's business and the market price of its securities.

Many industries, including the mining industry, have been impacted by the international response to COVID-19 which led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in global consumer activity.

Until such time as the spread of COVID-19 is contained worldwide, significant restrictions imposed by governments will likely remain in place and could increase. Possible immediate and medium-term impacts of the continuing or worsening spread of COVID-19, including new variants of the virus, may include disruptions to Andean's activities resulting from health and safety measures, illness among Andean's workforce, restricted mobility of personnel and further disruptions of Andean's operations, logistics and supply chain, all of which may negatively impact Andean's financial performance.

Furthermore, the prospect of a global recession, increased levels of volatility or further destabilization of global economic conditions (such as consumer spending, employment rates, interest rates and tax rates, inflation, fuel and energy costs and consumer debt levels) may result in a material adverse effect on commodity prices, availability of credit, investor confidence and general financial market liquidity, all of which may adversely affect Andean's operations and business, its ability to successfully raise capital and the market price of its securities.

Andean will continue to monitor developments with respect to COVID-19 and apply its cash management and liquidity control plan to maintain its currently solid financial situation. Andean will also implement any such changes to its business as may be deemed appropriate to mitigate any potential impacts to its business, employees, contractors and stakeholders.

Nature and Climatic Condition Risk

Andean and the mining industry as a whole face geotechnical challenges, which could adversely impact Andean's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, droughts, pit wall failures and rock fragility may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of Andean's control, such as seismic activity, severe weather and considerable rainfall, which may lead to periodic floods, mudslides and wall instability, which could potentially result in slippage of material or a tailings dam failure. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts including financial liability, which could cause one or more of Andean's projects to be less profitable than currently anticipated and could result in a material adverse effect on Andean's results of operations and financial position.

Furthermore, the occurrence of physical climate change events may result in substantial costs to respond to the event and/or recover from the event, and to prevent recurrent damage, through either the modification of, or addition to, existing infrastructure at our operations. The scientific community has predicted an increase, over time, in the frequency and severity of extraordinary or catastrophic natural phenomena as a result of climate change. Andean can provide no assurance that it will be able to predict, respond to, measure, monitor or manage the risks posed as a result.

In addition, as climate change is increasingly perceived as an international and community concern, stakeholders may increase demands for emissions reductions and call-upon mining companies to better manage their consumption of climate-relevant resources. Physical climate change events, and the trend toward more stringent regulations aimed at reducing the effects of climate change, could impact Andean's decisions to pursue future opportunities, or maintain existing operations, which could have an adverse effect on its business and future operations. Andean can provide no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on its operations and profitability.

Uncertainty in the Estimation of Mineral Reserves and Mineral Resources

To extend the lives of its mines and projects, ensure the continued operation of the business and realize its growth strategy, it is essential that Andean continues to realize its existing identified mineral reserves, convert mineral resources into mineral reserves, increase its mineral resource base by adding new mineral resources from areas of identified mineralized potential, and/or undertake successful exploration or acquire new mineral resources.

No assurance can be given that the anticipated tonnages and grades in respect of mineral reserves and mineral resources contained in this MD&A will be achieved, that the indicated level of recovery will be realized or that mineral reserves will be mined or processed profitably. Actual mineral reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond Andean's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that silver recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of its mineral reserve estimates from time to time or may render Andean's mineral reserves uneconomic to exploit. Mineral reserve data is not indicative of future results of operations. If Andean's actual mineral reserves and mineral resources are less than current estimates or if Andean fails to develop its mineral resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of mineral reserves and mineral resources occurs from time to time and they may change depending on further geological interpretation, drilling results and metal prices. The category of inferred mineral resource is often the least reliable mineral resource category and is subject to the most variability. Andean regularly evaluates its mineral resources and it often determines the merits of increasing the reliability of its overall mineral resources.

Replacement of Depleted Mineral Reserves

Given that mines have limited lives based on proven mineral reserves and probable mineral reserves, Andean must continually replace and expand its mineral reserves at its mines. Andean's ability to maintain or increase its annual production will be dependent in part on its ability to bring new Mineral Reserves into production.

Uncertainty Relating to Mineral Resources

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven mineral reserves and probable mineral reserves as a result of continued exploration.

Uncertainty Relating to Future Production Estimates

Andean prepares estimates and projections of future production for its existing and future mine operations. Any such information is forward-looking and no assurance can be given that such estimates will be achieved. These estimates are based on existing mine plans and other assumptions which change from time to time, including: mineral reserve and mineral resource estimates, including estimates for Cachi Laguna; the availability, accessibility, sufficiency and quality of material; the availability, accessibility, sufficiency and quality of material purchased from local Bolivian miners and RALP; Andean's costs of production; Andean's costs of purchased material, including material purchased from RALP; Andean's ability to sustain and increase production levels; the sufficiency of Andean's infrastructure; the performance of Andean's workforce and equipment, Andean's ability to maintain and obtain mining interests and permits; and Andean's compliance with existing and future laws and regulations. Andean's actual production may vary from estimates for a variety of reasons, including: actual material mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; actual material purchased varying from estimates of grade, tonnage and metallurgical and other characteristics; revisions to mine plans; unusual or unexpected material body formations; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and seismic activity; and unexpected labour shortages, strikes, local community opposition or blockades. Failure to achieve the estimated forecasts could have an adverse impact on Andean's profitability, future cash flows, earnings, results of operations and financial condition.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Andean's operations, financial condition and results of operations.

Permitting

Andean's operations are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of permits for Andean's existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, Andean must receive permits from appropriate governmental authorities. There can be no assurance that Andean will continue to hold all permits necessary to develop or continue operating at any particular property. Any of these factors could have a material adverse effect on Andean's results of operations and financial position.

Insurance and Uninsured Risks

Andean's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, catastrophic equipment failures or unavailability of materials and equipment, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Andean's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Andean's insurance will not cover all the potential risks associated with Andean's operations. Even if available, Andean may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Andean or to other companies in the mining industry on acceptable terms. Andean might also become subject to liability for pollution or other hazards that may not be insured against or that Andean may elect not to insure against because of premium costs or other reasons. Losses from these events could cause Andean to incur significant costs that could have a material adverse effect upon its financial performance and results of operations. Should Andean be unable to fully fund the cost of remedying an environmental problem, Andean might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which may have a material adverse effect. Andean may suffer a material adverse effect on its business, results of operations, cash flows and financial position if it incurs a material loss related to any significant event that is not covered, or adequately covered, by its insurance policies.

Andean may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs or for other reasons. Furthermore, Andean may incur liability to third parties in excess of any insurance coverage or for which Andean is not insured arising from any damage or injury caused by Andean's operations, which may have a material adverse effect on Andean's financial position.

Foreign Operations and Political Risk

Andean holds mining and exploration properties in Bolivia, exposing it to the socioeconomic conditions as well as the laws governing the mining industry in this country. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; violent crime; extreme fluctuations in currency exchange rates; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require Andean to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in any of the jurisdictions in which Andean operates may adversely affect Andean's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of parts and supplies, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. In addition, changes in government laws and regulations, including taxation, royalties, the repatriation of profits, restrictions on production, export controls, changes in taxation policies, environmental and ecological compliance, expropriation of property and shifts in the political stability of the country, could adversely affect Andean's exploration, development and production initiatives in these countries.

In Bolivia, a new constitution, enacted in 2009, confirmed the concept that all natural resources in Bolivia belong to the Bolivian people. On May 28, 2014, Law 535 of Mining and Metallurgy (the "New Mining Law") was enacted. Among other things, the New Mining Law established a new Bolivian mining authority and set out a number of new economic and operational requirements relating to State participation. The New Mining Law did not make any substantial changes to the tax and royalty regimes related to mining activities. Further, the New Mining Law provided that all pre-existing contracts, which at San Bartolomé consisted of various joint venture and lease agreements, were to migrate to one of several new forms of agreement with COMIBOL within a prescribed period of time. As of September 2020, all contracts at the San Bartolomé project had been migrated successfully. As San Bartolomé's contracts were considered to be pre-existing contracts, required terms for new mining contracts resulting from the New Mining Law did not apply to San Bartolomé's contracts.

Additionally, the Bolivian government issued Supreme Decree 1802 on December 20, 2013, which provides that when Bolivian annual gross domestic product ("GDP") grows more than 4.5%, an extra month of salary must be paid to all salaried workers in Bolivia, including the private sector, in respect of the month of December (the "Esfuerzo por Bolivia"). In 2021, Bolivian GDP grew less than 4.5% and, therefore, the Ministry of Labor did not apply the Esfuerzo por Bolivia rule.

There is, however, no guarantee that Bolivian governmental actions, including possible expropriation or additional changes in the law will not impact Andean's involvement in the San Bartolomé operation in an adverse way and such actions could have a material adverse effect on us and our business.

Andean continues to monitor developments and policies in all the jurisdictions in which it operates and the potential impact such developments and policies may have on its operations; however they cannot be accurately predicted and could have an adverse effect on Andean's operations or profitability.

Compliance with Anti-Corruption Laws

Andean is subject to various anti-corruption and anti-bribery laws and regulations including but not limited to the Canadian Corruption of Foreign Public Officials Act and the Extractive Sector Transparency Measure Act ("ESTMA"), as well as similar laws in the countries in which Andean conducts business. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. ESTMA, which became effective June 1, 2015, requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments.

In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such anti-corruption and anti-bribery laws, resulting in greater scrutiny and punishment of companies found in violation of such laws. Failure to comply with the applicable legislation and other similar foreign laws could expose Andean and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect Andean's business, financial condition and results of operations, as well as have an adverse effect on the market price of Andean's shares. Andean has instituted policies designed to facilitate compliance with such requirements that apply to all employees, consultants, contractors and other agents, including a code of business conduct and ethics and a whistleblower policy, an anti-bribery and anti-corruption policy, as well as mandatory training. However, there can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring Andean's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption and anti-bribery laws.

Increase in Production Costs

Changes in Andean's production costs could have a major impact on its profitability. Its main production expenses are personnel and contractor costs, materials, including purchased ore, and energy. Changes in costs of Andean's mining and processing operations could occur as a result of unforeseen events, including international and local economic and political events, a change in commodity prices, increased costs (including purchased ore costs, oil, steel and diesel) and scarcity of labour, and could result in changes in profitability or mineral reserve estimates. Many of these factors may be beyond Andean's control.

Andean relies on third party suppliers for a number of raw input materials. Any material increase in the cost of raw materials, or the inability by Andean to source third party suppliers for the supply of its raw materials, could have a material adverse effect on Andean's results of operations or financial condition. Andean prepares estimates of future cash costs and capital costs for its operations and projects. There is no assurance that actual costs will not exceed such estimates. Exceeding cost estimates could have an adverse impact on Andean's future results of operations or financial condition.

Competition

The mining industry is intensely competitive in all of its phases and Andean competes with many companies possessing greater financial and technical resources than itself. Competition in the precious metals mining industry is primarily for: mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but also conduct refining and marketing operations on a global basis. Such competition may result in Andean being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect Andean's prospects for mineral exploration and success in the future.

Compliance Costs

Andean is subject to various laws and regulations. The costs associated with compliance with such laws and regulations may cause substantial delays and require significant cash and financial expenditure, which may have a material adverse effect on the Company or the development of its mineral properties. Although Andean believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of Andean's properties. Amendments to current laws and regulations governing the operations and activities of Andean or more stringent implementation thereof could have a material adverse effect on Andean's business, financial condition and results of operations.

The officers and directors of the Company rely, to a great extent, on the Company's legal counsel and local consultants and advisors in respect of legal, environmental compliance, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations. Despite these resources, the Company may fail to comply with a legal or regulatory requirement, which may lead to the revocation of certain rights or to penalties or fees and in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the operational activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Any of the foregoing may have a material adverse effect on the Company or the development of its mineral properties.

Community Relations

Andean's relationships with the communities in which it operates and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. The evolving expectations related to human rights, indigenous rights, and environmental protection may result in opposition to Andean's current and future operations or further development or new development of Andean's projects and mines. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against Andean's activities, and may have a negative impact on Andean's reputation and operations.

Opposition by any of the aforementioned groups to Andean's operations may require modification of, or preclude the operation or development of, Andean's projects and mines or may require Andean to enter into agreements with such groups or local governments with respect to Andean's projects and mines, in some cases, causing increased cost and considerable delays to the advancement of Andean's projects. Further, publicity adverse to Andean, its operations or extractive industries generally, could have an adverse effect on Andean and may impact relationships with the communities in which Andean operates and other stakeholders. While Andean is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk.

Andean's other projects, including exploration projects, may also be impacted by relations with various community stakeholders, and Andean's ability to develop related mining assets may still be affected by unforeseen outcomes from such community relations.

Non-Governmental Organizations

Certain non-governmental organizations ("NGOs") that oppose globalization and resource development are often vocal critics of the mining industry and its practices, including the use of hazardous substances in processing activities. Adverse publicity generated by such NGOs or other parties generally related to extractive industries or specifically to Andean's operations, could have an adverse effect on Andean's reputation, impact Andean's relationship with the communities in which it operates and ultimately have a material adverse effect on Andean's business, financial condition and results of operations.

NGOs may organize protests, install road blockades, apply for injunctions for work stoppage, file lawsuits for damages and intervene and participate in lawsuits seeking to cancel Andean's rights, permits and licences. NGOs may also lobby governments for changes to laws, regulations and policies pertaining to mining and relevant to Andean's business activities, which, if made, could have a material adverse effect on Andean's business, financial condition and results of operations.

Litigation Affecting Mineral Properties

Potential litigation may arise on a mineral property on which Andean has an interest (for example, litigation with the original property owners or neighbouring property owners). The results of litigation cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If Andean is unable to resolve these disputes favourably or if the cost of the resolution is substantial, such events may have a material adverse impact on the ability of Andean to carry out its business plan.

Foreign Subsidiaries

Andean is a holding company that conducts operations through subsidiaries, including foreign subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict Andean's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Andean's valuation and stock price.

Reliance on Local Advisors and Consultants in Foreign Jurisdictions

Andean holds mining and exploration properties in Bolivia. The legal and regulatory requirements in this country with respect to conducting mineral exploration and mining activities, banking system and controls, as well as local business culture and practices are different from those in Canada. The officers and directors of Andean must rely, to a great extent, on Andean's local legal counsel and local consultants retained by Andean in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect Andean's business operations, and to assist Andean with its governmental relations. Andean must rely, to some extent, on those members of management and Andean's board of directors who have previous experience working and conducting business in this country in order to enhance its understanding of and appreciation for the local business culture and practices. Andean also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing, labour, litigation and tax matters in these countries. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the control of the Company. The impact of any such changes may adversely affect the business of the Company.

Enforcement of Legal Rights

Andean has material subsidiaries organized under the laws of Sweden and Bolivia and certain of Andean's directors, management and personnel are located in foreign jurisdictions. Given that the majority of Andean's material assets and certain of its directors, management and personnel are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, or its directors and officers, any judgments issued by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or other laws of Canada. Similarly, in the event a dispute arises in connection with Andean's foreign operations, Andean may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

Expansion Risk

Expansion of Andean's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that Andean will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurance that Andean will be able to manage growth successfully. Any inability of Andean to manage growth successfully could have a material adverse effect on Andean's business, financial condition and results of operations.

Dependence on Management and Key Personnel

The success of Andean for the foreseeable future will depend largely upon the ability of its management team and other key personnel. The loss of any one of these individuals could have a material adverse effect on Andean's business, and Andean would need to devote substantial resources to finding replacements. Andean currently does not carry "key-man" life insurance policies covering any of these officers.

Competition for qualified and experienced personnel in the field in which Andean operates is generally intense, and Andean relies heavily on its ability to attract and retain qualified personnel in order to successfully implement its business objectives. The failure to attract or retain key executives and personnel could impact Andean's operations.

Dependence on Employees

Exploration and production from the properties in which Andean holds an interest and purchasing and processing ore from third parties depends on the efforts of employees. There is competition for persons with such expertise. The ability of the Company to hire and retain geologists and persons with such expertise is key to those operations. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in the jurisdictions in which those operations are conducted. Changes in such legislation or otherwise in the relationships with employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on the operations, results of operations and financial condition of Andean. If these factors cause the exploration to be ceased or curtailed at one or more of the Company's mineral properties or processing plants, such decision could have a material adverse effect on the business and financial condition of Andean.

23. FORWARD-LOOKING STATEMENTS

Certain statements and information in this MD&A 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 MD&A include, but are not limited to statements and information regarding: the Company's future mining activities; the Company's exploration and development plans; the timing of release of drill results and data from the DSF; the Company's assessment of acquisition opportunities; the Company's production and AISC guidance for fiscal 2023; the timing of studies; the Company's ability to obtain and maintain required licences, permits, required agreements with third parties and regulatory approvals; the Company's plans for growth through exploration activities, acquisitions or otherwise; expectations regarding future maintenance and capital expenditures, working capital requirements, the availability of financing and near-term cost efficiencies. 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 MD&A 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; risks related to COVID-19; and other factors contained in the section entitled "Risk Factors" in this MD&A.

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 MD&A if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

24. QUALIFIED PERSONS

The scientific and technical content disclosed in this MD&A was reviewed and approved by Donald J. Birak, Senior 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). Mr. Birak's experience in Bolivia and at San Bartolomé commenced in 2004 with Coeur Mining Inc.