

Andean Precious Metals Reports Strong Second Quarter

Toronto, Ontario--(Newsfile Corp. - August 24, 2021) - Andean Precious Metals Corp. (TSXV: APM) ("**Andean**" or the "**Company**"), a Latin-American focused, precious metals production and exploration company, today reported its operational and financial results for the second quarter ended June 30, 2021. All amounts are expressed in U.S. dollars unless indicated otherwise.

Q2 2021 Highlights

- Revenues of \$38.0 million, an increase of \$25.4 million compared to Q2 2020;
- Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA")⁽¹⁾ of \$10.3 million, an increase of \$8.1 million compared to Q2 2020;
- Net income of \$3.9 million;
- Free cash flow^(1,2) of \$10.3 million;
- Ending cash balance of \$79.0 million, compared to \$38.5 million as at December 31, 2020;
- Silver equivalent production⁽³⁾ of 1.4 million ounces and sales of 1.3 million ounces at an all-in sustaining cost of \$18.97 per ounce of silver.

Luis da Silva, the Company's President and CEO, stated, *"Our strong financial results continue to enhance Andean's treasury position whilst maintaining a clean capital structure. During such time as we review sector diversification opportunities, we shall build on our strong cash position, which is rather unique among junior producers. For the second half of 2021, we will continue to advance our exploration program and the evaluation of the tailings reprocessing opportunity at the San Bartolomé plant."*

Operational and Financial Results

Financial Performance⁽⁴⁾	Q2 2021	Q2 2020
Revenue	\$ 38.0	\$ 12.6
Cost of sales	\$ 24.4	\$ 7.6
Income from mine operations	\$ 11.3	\$ 2.9
Net income (loss)	\$ 3.9	\$ (0.3)
Operating cash flow	\$ 11.4	\$ (0.1)
Free cash flow ^(1,2)	\$ 10.3	\$ (0.2)
Adjusted EBITDA ⁽¹⁾	\$ 10.3	\$ 2.2
Ending cash and cash equivalents	\$ 79.0	\$ 9.4
Capital expenditures	\$ 1.1	\$ 0.2
Cash operating costs ("COC") ⁽¹⁾	\$ 16.47	\$ 13.35
All-in sustaining costs ("AISC") ⁽¹⁾	\$ 18.97	\$ 15.65

Revenue for the second quarter of 2021 was \$38.0 million compared to \$12.6 million in the second quarter of 2020. Revenue growth was driven by a year-over-year increase in silver equivalent sales volumes of 92% to 1.4 million silver equivalent ounces and higher realized prices of \$26.71 per ounce of silver in the second quarter of 2021 compared with \$17.00 per ounce of silver for the second quarter of 2020. Cost of sales, including direct costs and mining royalty taxes, were \$24.4 million compared to \$7.6 million in the second quarter of 2020, corresponding to the increase in sales. As a result, income from mine operations increased to \$11.3 million from \$2.9 million in the first quarter of 2020.

General and administrative costs increased to \$2.2 million compared to \$1.2 million in the second quarter of 2020. The significant components of these expenses include the costs of salaries and office administration, management fees, and community relations expenses. Deferred income taxes of \$7.1 million were recorded during the second quarter of fiscal 2021, relative to none during the second quarter of fiscal 2020. Overall, the net income for the second quarter of 2021 totaled \$3.9 million.

Operational Performance	Q2 2021	Q2 2020
Mined ore ⁽¹⁾ (k dmt)	473	342
Average ore mined grade (Ag g/t)	96	102
Purchased ore ⁽²⁾ (k dmt)	136	18
Average purchased ore grade (Ag g/t)	198	283
Ore milled ⁽³⁾ (k dmt)	430	271
Daily average throughput (k dmt)	4,888	4,670
Average head grade (Ag g/t)	115	111
Silver recovery (%)	84	92
Silver production (k ozs)	1,326	888
Silver equivalent production (k ozs)	1,415	886
Silver sales (k ozs)	1,334	703
Silver equivalent sales (k ozs)	1,424	740

(1) Mined ore includes ore from permitted mineral reserve areas, including the Pallacos areas (Santa Rita, Huacajichi and Antuco) and mine waste stockpile areas (El Asiento and Tatasi-Portugalete). Mined ore is reported as +8 mesh.

(2) Purchased ore includes ore purchased at Cachi Laguna and oxide purchases from local mining cooperatives.

(3) Ore milled includes ore processed from mined, purchased, and stockpiled ore.

Silver equivalent production by source (k ozs)	Q2 2021	Q2 2020
Pallacos	526	711
Mine waste stockpiles	200	35
Cachi Laguna	128	-
Oxide purchases	561	142
Total silver equivalent production	1,415	886

2021 Outlook Update and Guidance

The Company produced 2.9 million silver equivalent ounces from its operations during the first half of 2021 from its mineral reserves and its third-party ore sourcing business. During the remainder of 2021, the Company will focus mining production at the Santa Rita Pallacos area. Mining will also continue at the Company's high-grade mine waste stockpile areas. In July 2021, production commenced at the Monserrat mine waste stockpile area, which contains higher grade material than the Company's Pallacos areas.

The Company has commenced sonic drilling of the tailings facility which will inform a mineral resource estimate followed by a technical study on the economic viability of reprocessing approximately 10 million tonnes contained in its tailings facilities. Manquiri's production records suggest potentially economic quantities of recoverable silver and tin exists in the tailings.

The Company continues to expand its third-party ore sourcing business from locations outside Cerro Rico. As the San Bartolomé operation contains the only large-scale commercial oxide plant in the country, the Company is leveraging this advantage with its strong working capital position and actively reviewing additional purchasing opportunities throughout Bolivia. The Company currently purchases ore

from 32 out of approximately 1,700 mining cooperatives within Bolivia.

The following table sets out Andean's first half 2021 results against its full-year 2021 production and cost guidance:

	YTD 2021 Actual	FY 2021 Guidance⁽¹⁾
Silver equivalent production	2.9M oz	5.8M to 6.1M oz
AISC (by-product)	18.15/Ag \$ oz	17.50 to \$19.50/Ag \$ oz

⁽¹⁾ Andean's assumed commodity prices supporting this estimate are \$24.00/ounce silver and \$1,750/ounce gold.

Growth Program

In addition to Andean's production profile and ore sourcing business, the Company also has an active exploration program for two highly prospective properties that Andean owns: Rio Blanco and San Pablo.

At Rio Blanco, Andean began a diamond drilling campaign comprising 22 holes over 5,500 metres with three drill rigs in July 2021. The Company also advanced reconnaissance geological work including trenching totaling 1,500 metres replicating the historic work performed in 1998. This work programme is intended to supplement the drilling campaign.

At San Pablo, Andean completed the first phase of a 10,000 metre diamond drilling campaign, drilling 12 holes totaling 3,580 metres at varying depths in May 2021 with multiple gold bearing zones encountered. The Company also seeks to complete ground-based geophysical surveys in its second phase. The Company expects to release results on the first phase in due course.

Qualified Person Statement

Donald J. Birak, Registered Member SME and Fellow AusIMM and independent qualified person as defined under NI 43-101, has reviewed and approved the scientific and technical information presented herein.

About Andean Precious Metals Corp.

Andean Precious Metals (TSXV: APM) is a Canadian, growth-focused silver producer operating in Bolivia. The Company produced 5.9M silver equivalent ounces in 2020 at an all-in sustaining cost of \$14.75 USD per ounce from its own mineral claims, contracts with the state mining company of Bolivia (COMIBOL), and from a high margin third-party ore sourcing business. All processing takes place at the Company's 1.65M tonne per year San Bartolomé plant which has the capacity to produce silver doré bars. Andean Precious Metals is committed to fostering safe, sustainable and responsible operations. For more information, please visit www.andeanpm.com.

Company Contact

Luis da Silva
Chief Executive Officer
ir@andeanpm.com
T: +44 7788 640696

Investor Contact N.A.

Daniel Weinerman
NATIONAL Capital Markets
dweinerman@national.ca
T: 416 848 1715

Media Contact Eur.

Oliver Lamb
Consultant
Tavistock
oldean@tavistock.co.uk
T: +44 20 7920 3150

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Caution Regarding Forward-Looking Statements

This press release contains statements which constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"), including statements regarding the plans, intentions, beliefs and current expectations of Andean with respect to future business activities and operating performance. Forward-looking statements are often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions.

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

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Andean has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. Andean does not intend, and do not assume any obligation, to update the forward-looking statements except as otherwise required by applicable law.

⁽¹⁾ Free cash flow, Adjusted EBITDA, COC and AISC are measures of financial performance with no prescribed definition under IFRS. Please refer to the Company's Management Discussion and Analysis for the three months ended June 30, 2021 and 2020 filed at www.sedar.com for a reconciliation of these items to the Company's financial statements.

⁽²⁾ Free cash flow is defined as operating cash flow less capital expenditures.

(3) Silver equivalent ounces include gold ounces produced or sold and are converted to a silver equivalent based on a ratio of realized silver and gold prices during the periods discussed.

(4) Figures are presented in US millions, other than COC, AISC and per share figures.

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