

ANDEAN PRECIOUS METALS REPORTS SOLID Q2 2023 RESULTS SUPPORTED BY STRONG PRODUCTION AND IMPROVING COSTS

Reaffirms 2023 production guidance; adjusts AISC and capex guidance

TORONTO, ON – August 15, 2023 – **Andean Precious Metals Corp.** (“Andean” or the “Company”) (TSX-V: APM) (OTCQX: ANPMF) reported its operating highlights and unaudited condensed interim financial results for the three and six months ended June 30, 2023 (the “Financials”). All amounts are expressed in United States dollars (“U.S. dollars”), unless otherwise noted (C\$ refers to Canadian dollars). This news release should be read together with Andean’s Financials, which are available under the Company’s profile on SEDAR+ (www.sedarplus.ca).

Q2 2023 Highlights

Three months ended June 30, 2023 vs. three months ended March 31, 2023

- Produced 1.2 million silver equivalent ounces (“AgEq oz”)¹, an increase of 22%. The Company is reaffirming its full year 2023 production guidance of 4.8-5.2 million AgEq oz.
- Recovery rates improved with an average of 79% in each of the first two quarters of 2023. For the first half of 2023 compared to the first half of 2022, the average recovery rate improved from 76% to 79%.
- Of the 1.2 million ounces produced, 0.6 million AgEq oz were sold at an average realized price of \$24.65 per ounce for Q2 2023 revenue of \$15.3 million. The 38% decrease in ounces sold in Q2 2023 vs. Q1 2023 was due to the sales deferral of approximately 540,000 AgEq oz, which was classified as inventory and valued at \$11.3 million. Subsequent to June 30, 2023, the bullion was sold for total revenue of \$13.3 million based on an average realized price of \$24.70 per ounce.
- Cost of sales decreased by 45% to \$11.8 million predominantly due to lower ounces sold and a decrease of \$1.2 million in mining and material purchasing costs.
- Operating cash costs (“OCC”)² per ounce of silver produced, net of by-product credits, was \$19.15, a decrease of 11%.
- All-in sustaining costs (“AISC”)² per silver ounce sold, net of by-product credits, was \$23.69, a decrease of only 2% despite lower ounces sold.

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

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

- General and administrative (“G&A”) expenses of \$3.1 million were \$0.7 million higher quarter-over-quarter due to increased corporate development activities as well as a stronger Mexican peso relative to the U.S. dollar. G&A decreased by \$0.4 million and by \$0.8 million, respectively, compared to Q2 2022 and H1 2022.
- Income from mine operations increased to \$2.4 million from \$0.4 million.
- Net income attributable to equity holders remained unchanged at \$0.2 million.
- For Q2 2023, earnings before interest, taxes, depreciation and amortization (“EBITDA”)² and adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”)² was \$3.7 million and \$4.9 million, respectively, compared with \$1.5 million and \$1.4 million, respectively, in Q1 2023. EBITDA improved by \$0.7 million and Adjusted EBITDA improved by \$0.9 million in the first six months of 2023 compared to the first six months of 2022.

Liquidity and Capital Resources

- Debt-free balance sheet with cash and cash equivalents of \$70.4 million. Cash was lower due to the sales deferment of approximately 540,000 AgEq oz, which were sold in July 2023 at an average price of \$24.70 per Ag oz, representing revenue of \$13.3 million.
- Positive working capital of \$90.3 million as at June 30, 2023, including liquid assets of \$89.9 million, comprised of \$70.4 million in cash, silver bullion of \$13.3 million, marketable securities of \$4.7 million and VAT certificates receivable of \$1.5 million. Liquid assets were \$91.8 million as at December 31, 2022.
- Pursuant to its normal course issuer bid (“NCIB”), the Company repurchased and cancelled 1,430,500 shares at an average purchase price of C\$0.77 per share for a total of \$0.8 million (C\$1.1 million). Since the inception of the NCIB in the fall of 2022 to the end of June 2023, a total of 2,379,600 shares have been repurchased and cancelled at an average purchase price of C\$0.80 for a total of \$1.4 million (C\$1.9 million).
- During Q2 2023, the Company entered into silver sales forward contracts for the delivery of 1,025,000 ounces of silver at an average price of \$25.75 per ounce. As a result of the decrease in the silver price in May, the forward contracts were unwound, and net cash settled in May 2023, resulting in a realized gain of \$2.3 million in Q2 2023.
- To mitigate silver price fluctuation risks and its impact on revenue, the Company entered into zero-cost collar contracts with an average put strike price of \$23 per ounce and an average call strike price of \$30 per ounce for 200,000 ounces per month from August 2023 to December 2023. As at June 30, 2023, the Company recognized an unrealized gain of \$1.0 million on the fair value of the contracts.

Growth

- The Company signed a mineral purchase agreement with Empresa Minera Bedrock S.R.L (“Bedrock”) for 170,000 metric tonnes over the next 24 months from Bedrock’s Alta Vista project, located 420 km from San Bartolomé. The materials from the Alta Vista project have an expected head grade of approximately 350 g/t. The first material delivery is expected in late Q3 2023.
- The silver recovery project at the Company’s fines disposal facility (“FDF”) continues to advance. Production is expected to commence in the first half of 2024.

Environment and Health & Safety

- During Q2 2023, the Company achieved a lost time injury frequency rate of zero per one million hours worked and attained a significant safety milestone of 1.452 million operating hours with no lost time injury.
- There were zero significant environmental incidents and zero reportable spills for the three and six-month periods ended June 30, 2023.

"This quarter we increased production and operational efficiencies and maintained recoveries compared to the first quarter. These upward trends continued in July," stated Alberto Morales, Executive Chairman and CEO of Andean.

Mr. Morales continued, "We remain focused on extending the life of San Bartolomé and are making significant progress on the tailings silver recovery project at our fines disposal facility. We anticipate publishing a mineral resource estimate shortly, filing a technical report, and commencing production in the first half of 2024. In parallel, we are actively engaged in acquisition activities in the Americas, aiming to become a multi-jurisdictional mid-tier producer."

Summary of Operating and Financial Results

Operating Results Summary

		Q2	Q1	%	Q2	Q2	%	H1	H1	%
	Units	2023	2023	Change	2023	2022	Change	2023	2022	Change
Operational Performance										
Tonnes mined ⁽¹⁾	k dmt	468	433	8%	468	540	(13%)	901	1,019	(12%)
Average mined grade	Ag g/t	43	53	(18%)	43	102	(58%)	48	99	(52%)
Tonnes purchased ⁽²⁾	k dmt	167	89	88%	167	117	43%	256	234	9%
Average purchased grade	Ag g/t	186	214	(13%)	186	221	(16%)	196	216	(9%)
Tonnes milled ⁽³⁾	k dmt	385	375	3%	385	407	(5%)	760	813	(7%)
Daily average throughput	dmt	4,561	4,461	2%	4,561	4,769	(4%)	4,511	4,714	(4%)
Average head grade	Ag g/t	119	106	12%	119	126	(5%)	113	121	(7%)
Silver recovery	%	79	79	0%	79	75	6%	79	76	4%
Silver production	k oz	1,189	978	22%	1,189	1,236	(4%)	2,167	2,387	(9%)
Gold production	oz	396	234	69%	396	902	(56%)	630	1,800	(65%)
Silver equivalent production ⁽⁴⁾	k oz	1,221	998	22%	1,221	1,310	(7%)	2,218	2,530	(12%)
Silver sales	k oz	620	982	(37%)	620	1,225	(49%)	1,602	2,398	(33%)
Gold sales	oz	-	215	(100%)	-	900	(100%)	215	1,571	(86%)
Silver equivalent sales ⁽⁴⁾	k oz	620	1,000	(38%)	620	1,299	(52%)	1,620	2,526	(36%)

AgEq Production Breakdown by Source

Pallacos	k oz	403	388	4%	403	329	22%	791	842	(6%)
Mine reclamation stockpiles	k oz	38	165	(77%)	38	305	(88%)	202	395	(49%)
Cachi Laguna	k oz	125	120	5%	125	242	(48%)	245	414	(41%)
Oxide purchases	k oz	655	325	101%	655	434	51%	980	879	11%
Total	k oz	1,221	998	(7%)	1,221	1,310	(7%)	2,218	2,530	(12%)

Financial Results Summary

	Q2	Q1	%	Q2	Q2	%	H1	H1	%
(In 000s except per oz numbers)	2023	2023	Change	2023	2022	Change	2023	2022	Change
Financial Performance									
Revenue	\$15,284	23,045	(34%)	\$15,284	\$28,892	(47%)	\$38,329	\$58,780	(35%)
Cost of sales	11,771	21,217	(45%)	11,771	24,532	(52%)	32,988	45,179	(27%)
Income from mine operations	2,448	374	555%	2,448	3,613	(32%)	2,822	10,037	(72%)
Net income (loss)	169	219	(23%)	169	(6,184)	(103%)	388	(3,909)	(110%)
Net income (loss) per share									
-Basic	0	0	(100%)	0	(0.04)	(100%)	0	(0.02)	(100%)
-Diluted	0	0	(100%)	0	(0.04)	(100%)	0	(0.02)	(100%)
Net cash (used in) provided from operating activities	(5,293)	(4,323)	22%	(5,293)	45	(11862%)	(9,616)	2,748	(450%)
Free cash flow ⁽⁵⁾	(5,588)	(4,886)	14%	(5,588)	(633)	783%	(10,474)	1,579	(763%)

EBITDA ⁽⁵⁾	3,657	1,516	141%	3,657	(3,597)	202%	5,173	4,474	16%
Adjusted EBITDA ⁽⁵⁾	4,928	1,373	203%	4,928	(715)	789%	5,527	4,653	19%
Ending cash and cash equivalents	70,427	75,793	(7%)	70,427	88,449	(20%)	70,427	88,449	(20%)
Capital expenditures	295	563	(48%)	295	634	(53%)	858	1,169	(27%)
OCC (by-product) ⁽⁵⁾ per oz produced	\$19.15	\$21.55	(11%)	\$19.15	\$18.86	2%	\$20.24	\$18.02	12%
OCC (by-product) ⁽⁵⁾ per oz sold	\$18.99	\$21.18	(10%)	\$18.99	\$18.68	2%	\$20.33	\$17.62	15%
AISC (by-product) ⁽⁵⁾ per oz sold	\$23.69	\$24.27	(2%)	\$23.69	\$21.38	11%	\$23.89	\$20.15	19%

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

2023 Guidance

- The Company's 2023 outlook was disclosed in the MD&A for the year ended December 31, 2022 filed under the Company's profile on SEDAR+ at www.sedarplus.com.
- The Company is reaffirming its full-year 2023 production guidance of 4.8 million to 5.2 million AgEq oz. During H2 2023, the Company will continue to process material from its surface deposits and from new material purchasing contracts, including the recently signed one with Bedrock for the Alta Vista deposit. Additionally, the Company will continue to purchase material from community mining partners and explore opportunities to source additional feed from third parties and COMIBOL. As previously disclosed, approximately 54% of 2023 production is expected in the second half of the year.
- Although management continues to successfully address last year's recovery issues and other challenges, further work remains. While management anticipates production to increase and costs to improve in the second half of the year, these results may not be sufficient to offset the impact of the first two quarters. Accordingly, the Company is increasing its full year 2023 AISC guidance from a range of \$19.50 - \$20.30 to \$20.90 - \$21.95.
- Due to revised engineering design and procurement plans, capital expenditures are expected to be in the range of \$6.5 million to \$8.5 million, lower than the range of \$8.0 million to \$10.0 million in the original guidance. The Company continues to work with

consultants on the FDF project, including advanced metallurgical testing and geotechnical studies. The Company has started assessing engineering and construction options and expects to commence production in the first half of 2024.

The following table sets out Andean's year-to-date results against both its original and revised 2023 guidance:

	YTD 2023 Actual	Original 2023 Guidance ⁽¹⁾	Revised 2023 Guidance ⁽²⁾
Silver equivalent production	2.2 million AgEq oz	4.8 million to 5.2 million oz	4.8 million to 5.2 million oz
AISC (by-product)	\$23.89/Ag oz	\$19.50 to \$20.30/Ag oz	\$20.90 to \$21.95/Ag oz
Capital expenditures	\$0.9 million	\$8 million to \$10 million	\$6.5 million to \$8.5 million

⁽¹⁾ Andean's commodity price assumptions supporting this estimate are \$21/oz silver.

⁽²⁾ Andean's commodity price assumptions supporting this estimate are \$22/oz silver.

Q2 2023 Webcast

Management will host a webcast tomorrow morning to discuss the Company's Q2 2023 financial and operating results. A question-and-answer session will follow management's prepared remarks. Details of the webcast are as follows:

Date and time: Wednesday, August 16, 2023 at 9:00 a.m. ET

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

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

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

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

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

Qualified Person Statement

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

About Andean Precious Metals

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

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Caution Regarding Forward-Looking Statements

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

Forward-looking statements in this release include, but are not limited to, statements and information regarding: the Company's production outlook and capital expenditure expectations for 2023, the timing of production at the FDF and delivery of materials pursuant to the mineral purchase agreement with Empresa Minera Bedrock S.R.L and the Company's plans for growth through exploration activities, acquisitions or otherwise. Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited to: the

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

Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements contained in this release include, but are not limited to: risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations; results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; risks relating to possible variations in reserves, resources, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined; mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development; the potential for delays in exploration or development activities or the completion of feasibility studies; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; risks related to commodity price and foreign exchange rate fluctuations; the uncertainty of profitability based upon the cyclical nature of the industry in which the Company operates; risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental or local community approvals or in the completion of development or construction activities; risks related to environmental regulation and liability; political and regulatory risks associated with mining and exploration; risks related to the uncertain global economic environment; and other factors contained in the section entitled "Risk Factors" in the MD&A and the Company's Management Discussion and Analysis dated August 15, 2023.

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

Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures

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

Operating cash costs (“OCC”), all-in sustaining costs (“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.

(i) OCC 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 revenue from gold sales.

(ii) Costs per tonne: The Company uses costs per tonne of material processed to manage and evaluate operating performance at its operation in Bolivia. Costs per tonne of ore processed is calculated based on total production costs on a produce basis, adjusted for changes in inventory, to arrive at total production costs that relate to material production during the period. These total production costs are then further divided into material purchase costs, mining costs and haulage costs, and milling costs. Mining costs includes costs of material and supplies, labour costs, applicable mine overhead costs, and mining contractor costs for mining material; haulage costs include freight charges for shipping stockpile material from mine sites to the plant, and milling costs include costs of materials and supplies, labour costs, and applicable mill overhead costs related to material processing. Mining costs per tonne is the mining and haulage costs divided by the tonnage of material mined and shipped from mine sites to mill site; material purchasing costs per tonne is the material purchasing costs divided by the tonnage of material purchased from third parties; and milling costs per tonne is the milling costs divided by the tonnage of ore processed at the mill. Costs per tonne of material processed is calculated as the sum of per tonne material purchasing costs, per tonne mining and haulage costs, and per tonne milling and processing costs.

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

(iv) AIC represents AISC plus growth capital and non-sustaining exploration and evaluation costs.

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

OCC

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

	Three months ended June 30,			Six months ended June 30,		
		2023	2022		2023	2022
Costs of sales, as reported	\$	11,771	\$ 24,532	\$	32,988	\$ 45,179
Add: Inventory adjustment		10,999	431		11,285	770
Total OCC before by-product credits		22,770	24,963		44,273	45,949
Less: by-product gold credits		-	(1,648)		(415)	(2,931)
Total OCC		22,770	23,315	\$	43,858	43,018
Divided by silver ounces produced (k oz)		1,189	1,236		2,167	2,387
OCC per silver ounce produced, on a by-product basis	\$	19.15	\$ 18.86	\$	20.24	\$ 18.02

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

	Three months ended June 30,			Six months ended June 30,		
		2023	2022		2023	2022
Costs of sales, as reported	\$	11,771	\$ 24,532	\$	32,988	\$ 45,179
Total OCC before by-product credits		11,771	24,532		32,988	45,179
Less: by-product gold credits		-	(1,648)		(415)	(2,931)
Total OCC		11,771	22,884	\$	32,573	42,248
Divided by silver ounces sold (k oz)		620	1,225		1,602	2,398
OCC per silver ounce sold, on a by-product basis	\$	18.99	\$ 18.68	\$	20.33	\$ 17.62

AISC

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

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
OCC	\$ 11,771	\$ 22,884	\$ 32,573	\$ 42,248
General and administrative expenses	3,120	3,550	5,575	6,422
Sustaining capital expenditures ⁽ⁱ⁾	80	634	397	1,081
Lease payments	-	44	-	88
Accretion for decommissioning liability	354	282	672	564
Less: Items included in G & A				
Business development	(403)	(749)	(576)	(1,056)
Share-based compensation	(236)	(449)	(365)	(1,034)
Severance payment	-	-	(5)	-
AISC	14,686	26,196	38,271	48,313
Divided by silver ounces sold (k oz)	620	1,225	1,602	2,398
AISC per silver ounce sold, on a by-product basis	\$ 23.69	21.38	\$ 23.89	\$ 20.15

(i) Sustaining capital expenditures reflect costs necessary to maintain current production.

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

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
AIC	\$ 14,686	\$ 26,196	\$ 38,271	\$ 48,313
Non-sustaining exploration and evaluation ⁽ⁱ⁾	389	993	63	1,904
Growth capital	215	-	461	-
AIC	15,290	27,189	38,795	50,217
Divided by silver ounces sold (k oz)	620	1,225	1,602	2,398
AIC per silver ounce sold, on a by-product basis	\$ 24.66	\$ 22.20	\$ 24.22	\$ 20.94

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

EBITDA and Adjusted EBITDA

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

The following table provides a reconciliation of Adjusted EBITDA to the Financials:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 169	\$ (6,184)	\$ 388	\$ (3,909)
Add:				
Income taxes	2,016	1,501	1,459	4,159
Finance costs	407	339	807	660
Depreciation and depletion	1,065	747	2,519	3,564
EBITDA	3,657	(3,597)	\$ 5,173	\$ 4,474
Add: Non sustaining exploration and evaluation cost	389	-	63	-
Add: Corporate development	403	-	576	-
Less: Change in fair value of derivative contracts ⁽ⁱ⁾	(972)	-	(972)	-
Less: Change in fair value of marketable securities ⁽ⁱⁱ⁾	1,451	2,882	687	179
Adjusted EBITDA	\$ 4,928	\$ (715)	\$ 5,527	\$ 4,653

(i) These amounts refer to fair value change on the derivative contracts on silver sales.

(ii) These amounts refer to mark-to-market adjustments on Santacruz securities.

Free Cash Flow

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

The following table provides a reconciliation of free cash flow to the Financials:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net cash (used in) provided from operations	\$ (5,293)	\$ 45	\$ (9,616)	\$ 2,748
Less:				
Expenditures on property, plant and equipment	(295)	(634)	(858)	(1,081)
Lease payments	-	(44)	-	(88)
Free cash flow	\$ (5,588)	\$ (633)	\$ (10,474)	\$ 1,579

Average Realized Gold and Silver Prices

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

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

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Silver revenue	\$ 15,284	\$ 27,244	\$ 37,914	\$ 55,849
Silver sold (k oz)	620	1,225	1,602	2,398
Average realized silver price per ounce	\$ 24.65	\$ 22.24	\$ 23.67	\$ 23.29
	2023	2022	2023	2022
Gold revenue	\$ -	\$ 1,648	\$ 415	\$ 2,931
Gold sold (oz)	-	900	215	1,571
Average realized gold price per ounce	\$ -	\$ 1,831	\$ 1,930	\$ 1,866