

ANDEAN PRECIOUS METALS SIGNS FIVE-YEAR EXCLUSIVE AGREEMENT TO PURCHASE UP TO 800,000 TONNES OF OXIDE MATERIAL FROM THE PACA SILVER PROJECT IN BOLIVIA

(All amounts are in U.S. dollars unless otherwise stated)

TORONTO, ON – September 12, 2023 – **Andean Precious Metals Corp.** (“**Andean**” or the “**Company**”) (TSX-V: APM) (OTCQX: ANPMF) and its wholly-owned subsidiary, Empresa Minera Manquiri S.A. (“**Manquiri**” and together with Andean, the “**Andean Entities**”) have entered into a Sale and Purchase Agreement (“**SPA**”) and Master Services Agreement (the “**MSA**” and together, the “**Agreements**”) with Silver Elephant Mining Corp. (“**Silver Elephant**”) (TSX:ELEF, OTCQX:SILEF, Frankfurt:1P2N) and several of its subsidiaries, including Apogee Minerals Bolivia S.A. (together with Silver Elephant, the “**Silver Elephant Entities**”).

Transaction Highlights

- Pursuant to the MSA, Silver Elephant will provide its expertise in mining operations, community relations, logistics and access to all its technical and geological information for the Paca silver project (“**Paca**”), located less than 200 km from Manquiri’s San Bartolomé mine.
- Under the SPA, Manquiri has an exclusive agreement to purchase up to 800,000 tonnes of oxide material from Paca. The SPA will expire on the earlier of (i) January 31, 2029, or (ii) when a total of 800,000 tonnes of oxide material have been delivered to Manquiri’s facility (the “**Term**”).
- Total cash consideration consists of \$5 million plus up to \$2 million relating to a silver price-linked contingency. Additionally, the Andean Entities will reimburse the Silver Elephant Entities for certain operating expenses.
- Paca historical oxide mineral resources estimate as defined by Mercator Geological Services is 1.1M tonnes of indicated mineral resources grading 185 grams per tonne (g/t) Ag and 0.35M tonnes of inferred grading 131 g/t Ag¹.
- SRK Consulting (USA), Inc. has been engaged to perform an independent evaluation and mineral resource estimate of Paca.

Easily accessible by paved road, Paca is an undeveloped, epithermal silver and base metal deposit in Bolivia, located less than 18 km northeast of the city of Uyuni and less than 200 km southwest of Andean’s San Bartolomé mine and processing facilities near Potosí.

¹ Please see the November 12, 2020 Amended NI 43-101 Technical Report on the Pulacayo Project on Silver Elephant’s company profile at www.sedarplus.com or Silver Elephant’s website at www.silverelef.com for technical and economic assumptions. Paca is the northern part of, and separate from, the Pulacayo deposit. The Company is not considering the Mercator Geological Services estimates as current and has engaged SRK Consulting (USA), Inc. to perform an independent evaluation and mineral resource estimate of Paca.

“We are pleased to announce this important milestone in the execution of our organic growth strategy in Bolivia. The Paca oxide material is expected to be an important source of oxide feed material for our San Bartolomé mill over the next five years. We expect to commence production of the Paca material by the end of this year,” stated Alberto Morales, Andean’s Executive Chairman and Chief Executive Officer. “Including this agreement, we have secured approximately one million tonnes of third-party material since the beginning of 2023, and we continue to seek additional feed to extend the life and optionality of San Bartolomé.”

Consideration

The Andean Entities shall pay total consideration of \$5.0 million (the “**Cash Consideration**”) to Silver Elephant as follows: (i) an upfront payment of \$1.2 million; (ii) \$1.8 million by January 31, 2024; (iii) \$1.5 million by January 31, 2025; and (iv) \$0.5 million by January 31, 2026. In addition, the Andean Entities shall pay to the Silver Elephant Entities certain operating expenses, along with other select expenses.

In addition to the Cash Consideration, if the London Bullion Market Association silver spot price averages over (the “**Additional Consideration**”):

- (a) \$28/oz in any given 260-day trading interval during the Term, then Andean shall immediately pay to Silver Elephant an additional one-time non-refundable cash payment of \$1 million; and
- (b) \$32/oz in any given 150-day trading interval during the Term, then Andean shall immediately pay to Silver Elephant an additional one-time non-refundable cash payment of \$1 million in cash in addition to the payment set forth in (a) above.

Once either of the above silver price-linked payments is made, the applicable trading day interval resets to zero for the other Additional Consideration.

Qualified Person for Andean Precious Metals

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 timing of delivery of materials pursuant to the mineral purchase agreement with Empresa Minera Bedrock S.R.L, the Company’s plans for growth through exploration activities, acquisitions or otherwise, the appropriateness of the materials for use as a feed source for the Company’s mill and the potential for contingent payments to be made to Silver Elephant under the terms of the mineral purchase agreement. 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.

Historical Mineral Resource Estimate

Scientific and technical information relating to the Paca project contained in this news release has been derived from, and in some instances extracted from a technical report prepared for Silver Elephant in accordance with National Instrument 43-101 — Standards of Disclosure for Mineral Projects ("NI 43-101") entitled "Amended NI 443-101 Technical Report on the Pujacayo Project" with an effective date of November 12, 2020 (the "**Technical Report**") prepared by Mercator Geological Services. Paca is the northern part of, and separate from, the Pulacayo deposit. A qualified person has not done sufficient work on behalf of the Company to classify the mineral resource estimate contained in the Technical Report (the "**Historical Mineral Resource Estimate**") as current and the Company is not treating the Historical Mineral Resource Estimate on Paca as a current mineral resource. The Historical Mineral Resource Estimate was calculated using mining industry standard practices for estimating Mineral Resource and Mineral Reserves (as defined by the CIM Definition Standard on Mineral Resources and Mineral Reserves dated

May 10, 2014). The key assumptions, parameters and methods used to prepare the Historical Mineral Resource Estimate on Paca are described in the Technical Report.

While the Company considers the Historical Mineral Resource Estimate to be relevant to investors, it cautions readers that it should not be unduly relied upon in drawing inferences on the current mineralization at Paca, or amounts of future production from the feed material, as additional work is required to verify the Historical Mineral Resource Estimate as a current mineral resource. This additional work includes (but may not be limited to) re sampling and re assaying of available core, assay rejects and/or pulps, use of Certified Reference Materials for QAQC purposes, verification of assay certificates and digital assay data, verification of select drill hole collars, review and verification of drill hole geologic logs versus the preserved core and RC cuttings, incorporation of assays to provide a general understanding of metallurgical characteristics, review and verification of mineralization controls and modelling techniques.

Please see the November 12, 2020 Amended NI 43-101 Technical Report on the Pulacayo Project on Silver Elephant's profile at www.sedarplus.com or Silver Elephant's website at www.silverelef.com for technical and economic assumptions. Paca is the northern part of, and separate from, the Pulacayo deposit. The Company is not considering the Mercator Geological Services estimates as current and has engaged SRK Consulting (USA), Inc. to perform an independent evaluation and mineral resource estimate of Paca.