

## **ANDEAN PRECIOUS METALS ACQUIRES PRODUCING HEAP LEACH GOLD MINE; EXPANDS ITS FOOTPRINT INTO THE U.S.**

*Acquisition of Golden Queen Mining LLC aligns with Andean's focus on diversification in the Americas, value creation and achieving mid-tier producer status*

*Attractive deal structure preserves Andean's strong cash position and provides the Company with the flexibility to act on future growth opportunities*

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

**TORONTO, ON** – November 27, 2023 – **Andean Precious Metals Corp.** (“**Andean**” or the “**Company**”) (TSX-V: APM) (OTCQX: ANPMF) is pleased to announce that, late Friday November 24, 2023, through its wholly-owned subsidiary Soledad Holdings, Inc., Andean signed and closed a transaction to acquire a 100% interest in Golden Queen Mining Company, LLC (“**Golden Queen**”) from Auvergne Umbrella LLC (the “**Seller**”).

Golden Queen operates the Soledad Mountain mine and heap leach operation located in Kern County, Southern California. (See Appendix – Figure 1 – “Location of Soledad Mountain”.) Since its commercial start-up in mid-2016, Soledad Mountain has produced more than 340,000 ounces of gold and approximately 3.5 million ounces of silver<sup>1</sup>.

“Andean’s acquisition of Golden Queen represents an important step towards achieving our vision of becoming a multi-jurisdictional mid-tier producer in the Americas,” stated Alberto Morales, Andean’s Executive Chairman and CEO. “After an extensive review of available acquisition targets and thorough due diligence, Golden Queen stood out as a strong foundational asset that sets us up to diversify and increase annual production and move into a tier one mining jurisdiction. Furthermore, the structure of the transaction and its payment terms allow us to maintain our strong cash liquidity position and pursue other opportunities for future growth.”

Mr. Morales added, “With recent mine infrastructure investments now complete, our focus is on developing a new mine plan to ensure Soledad Mountain is well positioned to benefit from an improved production and cost profile. Potential catalysts, including mine optimization, ore control, operational improvements, an updated NI 43-101 mineral reserve and resource estimate, and exploration opportunities, are expected to unlock further value for our shareholders.”

### **Transaction Highlights**

- **Established Mine Performance**

- Since mid-2016, Soledad Mountain has produced more than 340,000 ounces of gold and approximately 3.5 million ounces of silver<sup>1</sup>. Based on a historical total proven and probable mineral reserve estimate at Soledad Mountain, as defined in 2022, Andean is targeting to maintain steady-state annual production until 2028. See section entitled “Historical Mineral Resource and Mineral Reserve Estimate”.
- Management team is focused on driving ongoing and sustainable improvements to production, operations, cash flow and costs per ounce at Soledad Mountain.

- **Value Creation Opportunities Through Optimization, Efficiencies & Exploration**
  - Extensive due diligence and strategic reviews conducted by Andean and third-party consultants highlight opportunities to surface underlying value at Soledad Mountain through mine plan optimization, ore control processes and production efficiencies.
  - Additionally, there is potential exploration upside at Soledad Mountain. The epithermal mineral system consists of a cluster of northwest trending veins and vein breccias and features near-pit and near-surface mineralization within permitted boundaries. It is deemed favourable for new discoveries that may yield expansion of Soledad Mountain's mineral resources and mineral reserves. *See Appendix – Figure 2 – “Soledad Mountain Exploration Map”.*
- **Attractive Deal Structure Allows Andean to Maintain Liquid Assets of \$81.1 Million<sup>2</sup>**
  - Golden Queen is expected to be accretive to Andean's production and mineral reserve and resource base. *See section entitled “Historical Mineral Resource and Mineral Reserve Estimate”. See Appendix Table 1 – “Golden Queen Historical Mineral Resource Estimate” and Table 2 – “Golden Queen Historical Mineral Reserve Estimate”.*
  - The acquisition added \$133.4 million in net assets<sup>3</sup> to Andean's pro forma balance sheet; the carrying value of the net assets is based on Golden Queen's audited financial statements as at December 31, 2022.
  - The acquisition price included \$5 million in upfront cash consideration paid out of Andean's cash on hand plus net working capital adjustments. Additionally, there are two deferred payments of \$5 million each. Andean may choose to pay the two \$5 million deferred payments in either cash or common shares, allowing time for a potential re-rate of Andean's common shares before payment is due. *See section entitled “Deal Structure”.*
- **Low Capex Requirements**
  - In 2021 and 2022, approximately \$23 million was invested in Soledad Mountain's infrastructure, including a stage 3 leach pad and new mining and processing equipment. Andean does not foresee any major future capital requirements.
- **Kern County, CA USA: A Mining Friendly County in a Tier One Mining Jurisdiction**
  - Kern County prioritizes the development of energy and natural resource projects.
  - Local communities and government show great support for mining, with certain mine reclamation not expected to commence until the end of aggregates mining at Soledad Mountain, which is currently permitted to continue until 2061.

- **Transforms Andean into a Multi-Jurisdictional Precious Metals Producer**

- With its acquisition of Golden Queen, Andean has two producing assets, providing it with geographic and commodity diversification, as well as a solid platform for growth in the U.S.
- Andean's pro forma consolidated annual production is expected to significantly increase based on historical production at Soledad Mountain, which produced 4.6 million silver equivalent ounces in 2022<sup>4</sup>.

### **Kappes, Cassidy & Associates ("KCA") – Historical Estimates**

The historical proven and probable mineral reserve estimate at Soledad Mountain, as defined by Golden Queen in an unpublished report dated June 2022, was 28.1 million tonnes at an average grade of 0.74 grams of gold per tonne (g/t) and 10.44 g/t of silver, containing 670,000 gold ounces and 9.4 million silver ounces<sup>5</sup>. KCA contributed to the reserve estimates (operating expenses and recoveries) and Independent Mining Consultants, Inc. reviewed and signed off. See *section entitled "Historical Mineral Resource and Mineral Reserve Estimate"*.

KCA, Independent Mining Consultants, Inc., RESPEC Company LLC and George Klemmick (AIPG Certified Professional Geologist, Consulting Geologist, Chugiak, AK) have been retained by the Company to perform an independent evaluation and update the mineral reserve and resource estimates and mine plan for Soledad Mountain. The mineral reserve and resource estimate is to be filed within 45 days of this announcement.

### **About Golden Queen**

Golden Queen has been operating the Soledad Mountain gold and silver mine in the western Mojave Desert since 2016. The mine is located approximately five miles south of the town of Mojave in Kern County, Southern California. The project is easily accessed from either Las Vegas, Nevada or via ~100 miles of paved roads from the Los Angeles International airport.

The mine's history dates back to the late 1800s, when precious metals were discovered in float samples, leading to the discovery and development of the Queen Esther underground mine at Soledad Mountain. Today, the mine utilizes conventional open pit mining methods, cyanide heap leach and Merrill-Crowe processes to recover gold and silver from crushed, agglomerated ore. The mine processes an average of approximately 4.0 million short tons of ore per year.

### **Exploration**

The mine produces gold and silver from multiple, northwest-trending, northeast- and southwest-dipping epithermal veins, vein breccias and vein splays hosted in Miocene-aged felsic volcanic rocks. It is one of the newest gold mines in the state of California.

The epithermal mineral system at Soledad Mountain, consisting of a cluster of northwest trending veins and vein breccias, is deemed favorable for new discoveries that may yield expansion of the project's mineral resources and mineral reserves. Of immediate interest is the potential to upgrade

the project's inferred mineral resources followed by testing extensions of the main mineralized structures outside of the limits of the project's mineral reserves and resources. These and the potential for discovery of new mineralized structures, to the east and west of the main deposit, will be examined and prioritized by Andean going forward. Andean intends to begin a new exploration program shortly to unlock these potential inferred resources.

### **Deal Structure**

For 100% ownership and control of Golden Queen, aggregate consideration to the Seller consists of the following:

- (i) \$5 million plus net working capital adjustments in cash paid by Andean to the Seller at closing;
- (ii) \$5 million payable in either cash or common shares of Andean, at Andean's option, on the 12-month anniversary of closing; and
- (iii) \$5 million payable in either cash or common shares of Andean, at Andean's option, on the 22-month anniversary of closing.

The \$5 million payable on each of the 12- and 22-month anniversary dates will be priced at the volume weighted average price of Andean's common shares on the TSXV for a 20 consecutive trading day period ending on the second trading day immediately preceding the applicable anniversary, after applying the Bank of Canada exchange rate on the date that is two business days prior to the date of issuance. The issuance of the common shares is subject to TSXV and other regulatory approvals.

As part of the acquisition agreement, Golden Queen will retain a Main Street Priority Loan ("MSPL") with CommerceWest Bank of California. The MSPL bears interest at the 3-month LIBOR rate plus 3% and is payable monthly. A first principal payment of \$7.5 million and \$0.2 million of accrued interest was paid through Golden Queen concurrent with the closing of this acquisition, reducing the total amount owing on the MSPL from \$51.6 million to \$43.9 million. A second principal payment of \$7.5 million is due on November 24, 2024, with the remaining principal balance due upon maturity on November 24, 2025.

### **Advisors**

MPA Morrison Park Advisors Inc. acted as Andean's exclusive financial advisor. Fogler, Rubinoff LLP acted as the Company's legal advisor in Canada and Musick, Peeler & Garrett LLP acted as Andean's U.S. counsel. Other advisors included Ernst & Young LLP.

Canaccord Genuity Corp. acted as Seller's exclusive financial advisor and Morgan, Lewis & Bockius LLP acted as Seller's legal counsel.

## Webcast

Management will host a conference call and webcast to discuss Andean's acquisition of Golden Queen. Details are as follows:

- Date and time: Monday, November 27, 2023 at 9:00 a.m. ET / 6:00 a.m. PT
- Conference call: Canada/USA Toll Free: 1-800-319-4610  
Toronto Toll: +1-416-915-3239  
International Toll: +1-604-638-5340
- Webcast: A live audio webcast of the earnings call will be available at <https://www.gowebcasting.com/13103>
- Notes: To access the live webcast, 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: An archived replay of the webcast will be available for 90 days at <https://www.gowebcasting.com/13103> and on Andean's website: [www.andeanpm.com](http://www.andeanpm.com).

## Historical Mineral Resource and Mineral Reserve Estimates

Scientific and technical information relating to the Golden Queen Mining project contained in this news release has been derived, and in some instances extracted, from a technical report prepared for Golden Queen in accordance with National Instrument 43-101 — Standards of Disclosure for Mineral Projects ("**NI 43-101**") entitled "Feasibility Update Technical Report on the Soledad Mountain Heap Leach Project, Kern County, California USA" dated June 20, 2022 (the "**Technical Report**") prepared by Kappes, Cassiday & Associates, RESPEC Company LLC, Independent Mining Consultants, Inc. and George Klemmick (AIPG Certified Professional Geologist, Consulting Geologist, Chugiak, AK).

A qualified person has not done sufficient work on behalf of the Company to classify the mineral resource and mineral reserve estimate contained in the Technical Report (the "**Historical Mineral Resource and Mineral Reserve Estimate**") as current and the Company is not treating them as current. The Historical Mineral Resource and Mineral Reserve 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 the Soledad Mountain Project are described in the Technical Report.

While the Company considers the Historical Mineral Resource and Mineral Reserve 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 Golden Queen, or amounts of future production from the feed material, as additional work is required to update the Historical Mineral Resource and Mineral Reserve Estimate. This additional work includes (but may not be limited to) mining

depletion, new technical and financial studies, new sampling and 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.

Andean has engaged Kappes, Cassiday & Associates, RESPEC Company LLC, Independent Mining Consultants, Inc. and George Klemmick (AIPG Certified Professional Geologist, Consulting Geologist, Chugiak, AK) to perform an independent evaluation and updated mineral resource and mineral reserve estimate of the Soledad Mountain Project.

### **Qualified Persons for Golden Queen**

The following people served as the Qualified Persons for Golden Queen as defined in National Instrument 43- 101 – *Standards of Disclosure for Mineral Projects*, and in compliance with Form 43-101F1:

- Carl E. Defilippi, SME Registered Member, Engineering Manager, Kappes Cassiday & Associates, Reno NV.
- Michael M. Gustin, AIPG Certified Professional Geologist, RESPEC Principal Consultant.
- Joseph C. McNaughton, PE, Partner, Independent Mining Consultants, Inc., Tucson AZ.
- George Klemmick, AIPG Certified Professional Geologist, Consulting Geologist, Chugiak, AK.

### **Qualified Persons for Andean**

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). Mr. Birak visited the Soledad Mountain mine and heap leach operation on October 5 and 6, 2023.

### **About Andean Precious Metals**

Andean is a growing precious metals producer focused on top-tier jurisdictions in the Americas. The Company owns and operates the San Bartolomé project in Potosí, Bolivia and the Soledad Mountain mine in Kern County, California, and is well-funded to act on future growth opportunities. Andean's leadership team is committed to creating value; fostering safe, sustainable and responsible operations; and achieving our ambition to be a multi-asset, mid-tier precious metals producer.



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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 acquisition of Golden Queen and the Company’s expectations regarding production and processing capacity, 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 capital requirements of the Company. Forward-looking statements are necessarily based on a number of estimates and assumptions, while considered reasonable by the Company as at the date of this press release in light of management’s experience and perception of current conditions and expected developments, are inherently subject to significant business, economic and competitive uncertainties and risks. 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 either the price of silver or costs associated with production or recovery. 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 set out herein. 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, including risks relating to permitting; 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 prices 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, legal 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 Company's Management Discussion and Analysis dated August 15, 2023.

Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this press release are qualified by these cautionary statements. Specific reference is made to the Risk Factors section in the Company's most recent MD&A on file with Canadian provincial securities regulatory authorities for a more detailed discussion of some of the factors underlying forward-looking statements and the risks that may affect the Company's ability to achieve the expectations set forth in the forward-looking statements contained in this press release. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

## **Endnotes**

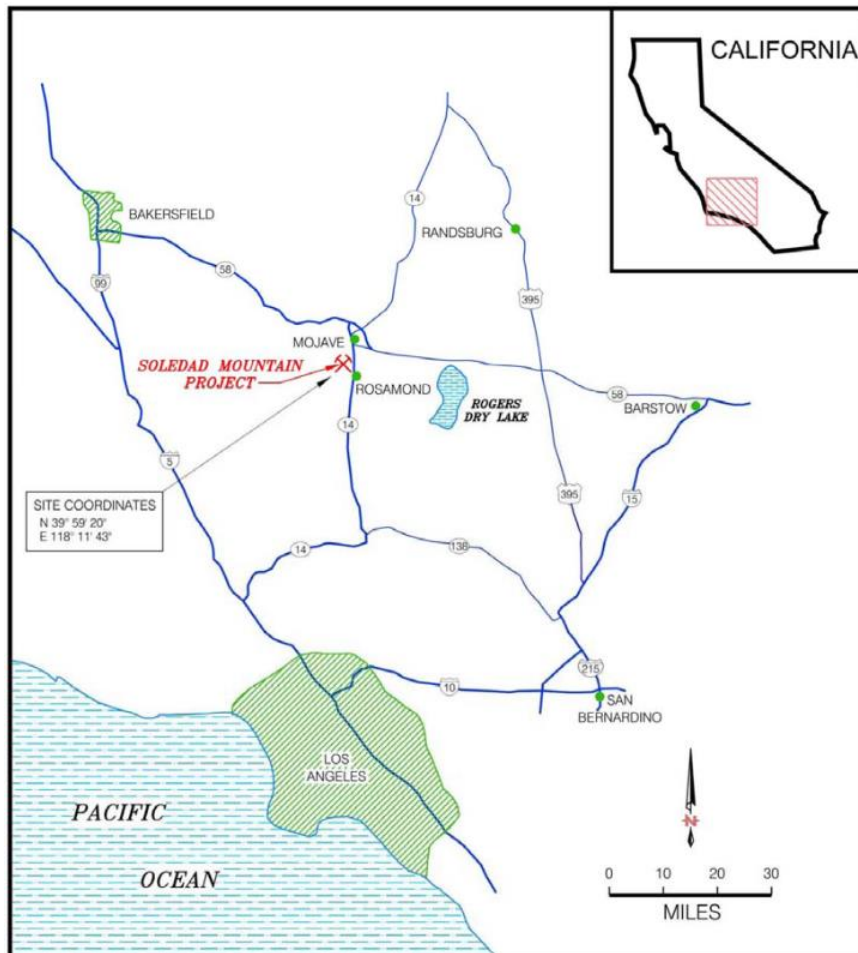
1. Based on Golden Queen's disclosure and audited financial statements.
2. Liquid assets of \$81.1 million include the total of \$64.1 million of cash, \$1.9 million in accounts receivable, \$10.2 million bullion in inventory, \$3.4 million in marketable securities and \$1.5 million of VAT certificates as at November 22, 2023.



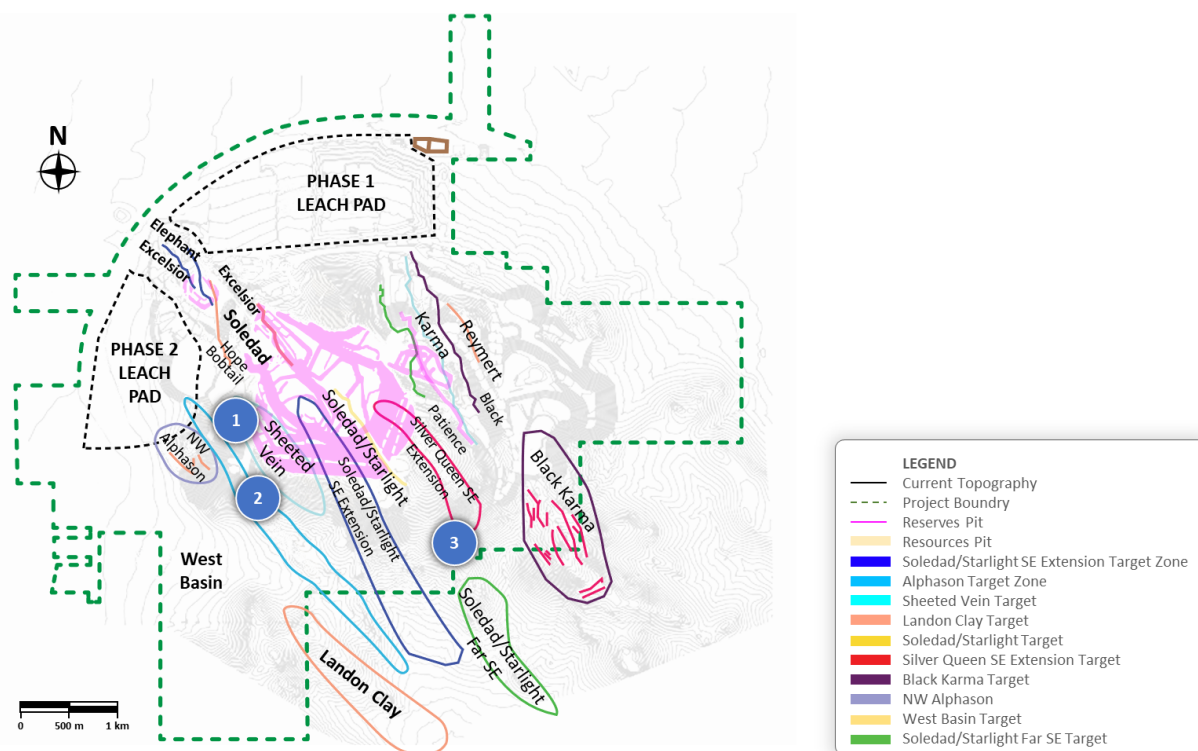
3. Based on the recent audited financial statements of Golden Queen as at December 31, 2022, net assets of \$133.4 million is calculated by deducting \$73.6 million in total liabilities from \$207.0 million in total assets.
4. Andean's silver equivalent production was 5.5 Moz in 2019, 5.9 Moz in 2020, 5.8 Moz in 2021 and 5.0 Moz in 2022. Golden Queen's silver equivalent production was 4.9 Moz in 2019, 4.8 Moz in 2020, 4.2 Moz in 2021 and 4.6 Moz in 2022. 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.
5. Mineral reserves are tabulated based on a \$1,700/oz gold price and \$23/oz silver price within a pit design based on a \$1,600/oz gold price. See *Appendix – Table 2 – “Golden Queen Historical Mineral Reserve Estimate”*. Sourced from the Feasibility Update Technical Report on the Soledad Mountain Heap Leach Project, Kern County, California USA, dated June 20, 2022. Andean is not considering this report and estimates as current and has engaged Kappes, Cassiday & Associates to perform an independent evaluation and mineral resource estimate of Golden Queen.

## Appendix

**Figure 1 – Location of Soledad Mountain Project**



**Figure 2 – Soledad Mountain Exploration Map**



**Table 1 – Golden Queen Historical Mineral Resource Estimate**  
(effective date January 31, 2022)

Mineral Resources			In-Situ Grade				Contained Metal	
			Gold		Silver		Gold	Silver
Classification	Tonnes	Tons	g/t	oz/ton	g/t	oz/ton	oz	oz
Measured	3,815,000	4,205,000	1.17	0.034	14.06	0.41	143,000	1,726,000
Indicated	39,566,000	43,614,000	0.62	0.018	8.64	0.252	805,000	11,011,000
<b>Measured &amp; Indicated</b>	<b>43,381,000</b>	<b>47,819,000</b>	<b>0.69</b>	<b>0.02</b>	<b>9.12</b>	<b>0.266</b>	<b>948,000</b>	<b>12,737,000</b>
Inferred	3,277,000	3,612,000	0.45	0.013	7.2	0.21	49,000	759,000

## Notes

\* See section entitled “Historical Mineral Resource and Mineral Reserve Estimate”. The Company is not treating the Golden Queen historical mineral and reserve estimates as current and has engaged Kappes, Cassidy & Associates (“KCA”) to perform an independent evaluation and updated mineral resource and mineral reserve estimate of the Soledad Mountain Project within 45 days of this press release.

1. Mineral resources are inclusive of mineral reserves.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Mineral resources are reported at a 0.005 oz AuEq g/ton (0.17 AuEq/tonne) cutoff in consideration of potential open-pit mining and heap-leach processing.
4. Gold equivalent grades were calculated using metal prices of \$1800/oz Au and \$23/oz Ag and recoveries of 80% for Au and 35% for Ag.
5. The effective date of the mineral resources is January 31, 2022.
6. Tonnage and grade estimations are presented in both U.S. and metric units. Grades are reported in troy ounces per short ton (U.S.) and in grams per metric tonne (metric).
7. Rounding may result in apparent discrepancies between tons, grade, and contained metal content.
8. Historical mineral resource estimate verified by KCA – see QP statements on page 6 of this press release.

**Table 2 – Historical Mineral Reserve Estimate**  
(effective date April 28, 2022)

	Mineralization		Contained (In-Situ) Grade					Contained Metal	
	Metric	Imperial	NSR	Gold		Silver		Gold	Silver
	(ktonnes)	(ktons)	(\$/ton)	(gpt)	(opt)	(gpt)	(opt)	(oz)	(oz)
Proven	3,007	3,315	46.8	1.19	0.035	14.68	0.428	115,525	1,419,157
Probable	25,109	27,678	28.2	0.69	0.02	9.93	0.29	554,351	8,014,122
<b>Proven + Probable</b>	<b>28,116</b>	<b>30,992</b>	<b>30.2</b>	<b>0.74</b>	<b>0.022</b>	<b>10.44</b>	<b>0.304</b>	<b>669,877</b>	<b>9,433,279</b>

#### Notes

\* See section entitled “Historical Mineral Resource and Mineral Reserve Estimate”. The Company is not treating the Golden Queen historical mineral and reserve estimates as current and has engaged KCA to perform an independent evaluation and updated mineral resource and mineral reserve estimate of the Soledad Mountain Project within 45 days of this press release.

1. Mineral reserves are tabulated based on a \$1,700/oz gold price and \$23/oz silver price within a pit design based on a \$1,600/oz gold price.
2. Mineral reserves are based on the economic input parameters provided by KCA in the preparation of the historical mineral reserve estimate.
3. The mineral reserves cutoff grade (COG) is based on a net smelter return (NSR) of \$7.41 per ore ton.
4. Includes 500 ktons from low stockpile @0.36 gpt (0.0106 opt) gold grade applied to probable.
5. Effective date of the mineral reserves is April 28, 2022.
6. Imperial: ktons means 1,000 short tons; where, 1 short ton = 2,000 lbs.
7. Metric: ktonnes means 1,000 metric tonnes; where 1 metric tonne = 2,204.6 lbs.
8. Gold and silver are all reported as contained grades and contained metal; where, “opt” is troy ounce per short ton and “gpt” is grams per metric tonne and “oz” is 1 troy ounce.
9. The columns may not sum exactly due to rounding.